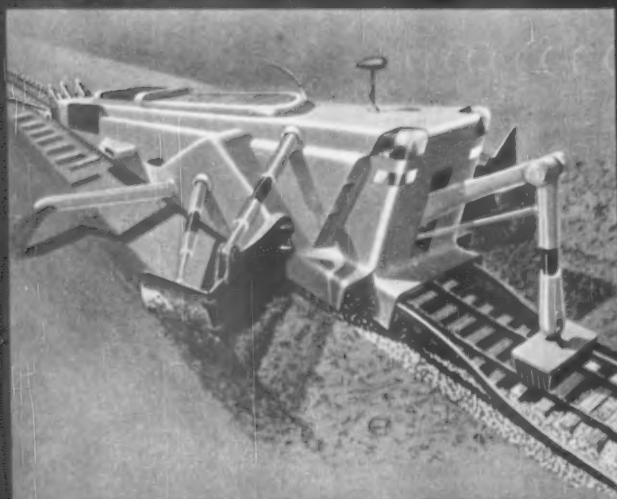
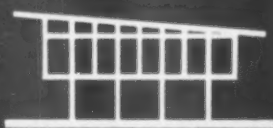
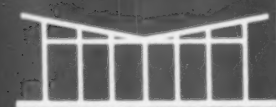
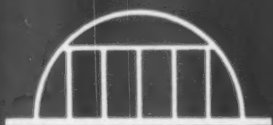


# Nation's Business

A LOOK AHEAD

SEPTEMBER 1955



Window to your future:  
leading industries forecast

# 1975

PEOPLE, PRODUCTS AND PROGRESS  
page 56

Job outlook brightest ever **PAGE 25**

Trend to single houses expands

Engineers' traffic tricks save

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## NOW! Eliminate losses due to truck breakdowns!

**YOU** know what truck breakdowns mean. Costly interruption of your deliveries. Costly repair bills. Costly headaches. Why not avoid

them all with convenient Hertz Truck Lease Service, the oldest, largest truck leasing organization with 31 years' experience?

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**Releases your capital investment in trucks.** It's our money tied up in trucks . . . not yours. Your money stays where it will do you the most good—right in your own business. If you prefer, we can arrange to buy your present fleet of trucks at mutually agreed prices, and lease them to you if they fit your needs. When necessary, we replace old, worn-out trucks with new Fords or other sturdy trucks.

**Avoids maintenance headaches.** Hertz services, fuels all trucks it leases to you. The Hertz Truck Lease Service is a *complete* service. We furnish everything but the driver. That's why the Hertz Truck Lease Service gives you all the advantages of private ownership—but none of its disadvantages.

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**We engineer the trucks** to your needs and Hertz Truck Lease Service is most flexible. We can set it up in any way most convenient and most suitable to you.

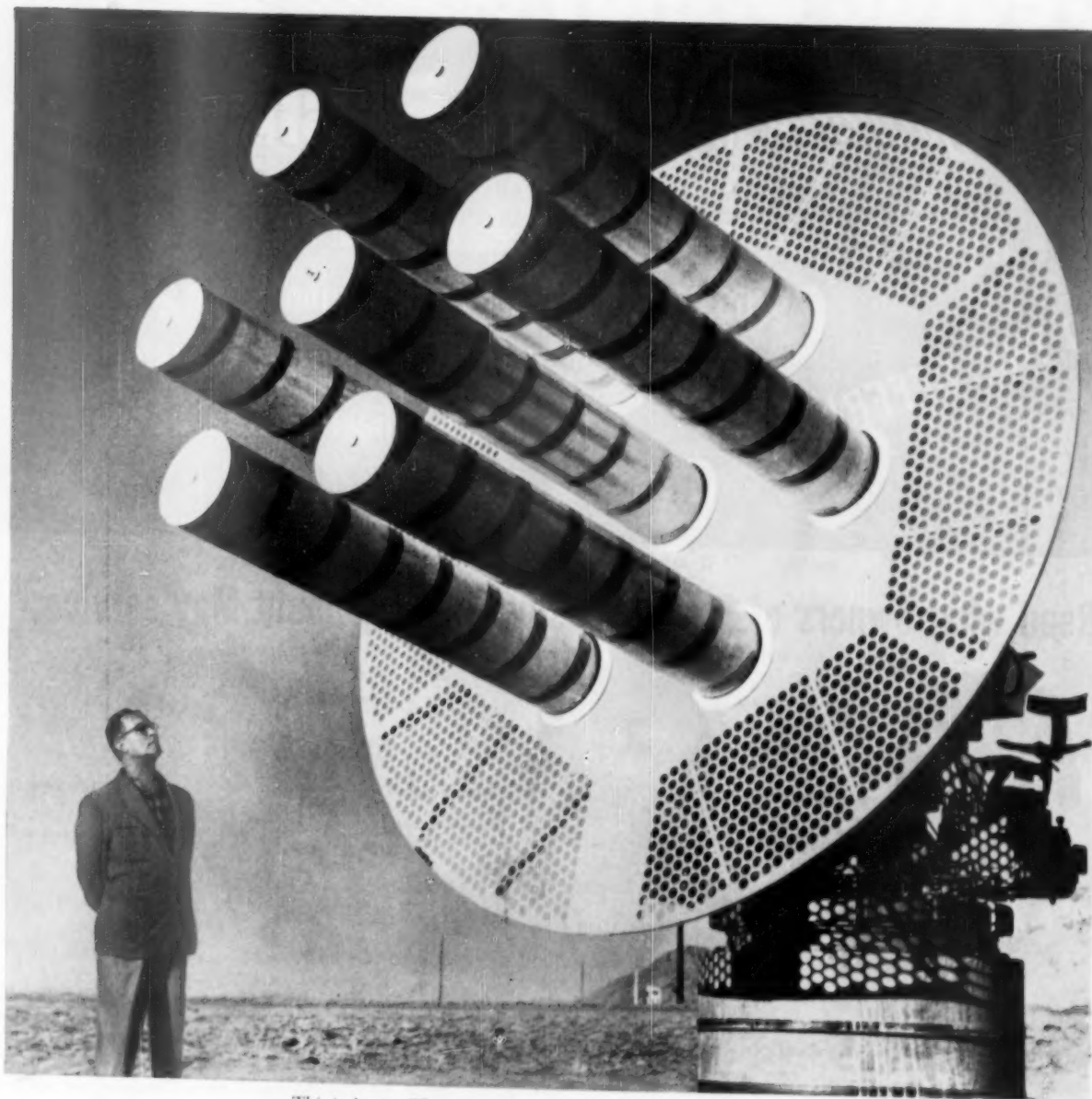
**And remember,** your trucks will always look smart, clean, attractive . . . add prestige to your company.

**Call your Hertz representative** for a free survey of your trucking problems today. There's no charge or obligation. You'll find Hertz Truck Lease Service listed under "H" in your phone book. Or write: Hertz Truck Rental System, Dept. F95, 218 South Wabash Avenue, Chicago 4, Illinois. Phone: WEBster 9-5165.



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Need a car? Hertz has them, too! Low rate includes gasoline, oil and proper insurance. Call your local Hertz office.



This is Apota. The name is a contraction of Automatic Positioning of Telemetering Antenna.

## It Takes Messages from Guided Missiles in Flight

This mysterious object is Apota.

If it sounds and looks like something from Mars, there is good reason. For what Apota does is to receive messages from far out in space.

When a missile is launched, the observers on the ground want to know what is happening way up there on its flight.

So they equip it with a radio that will send back data to the earth. Apota is the giant antenna that automatically tracks the missile in flight and picks up these radio messages.

It's an instrument designed by the Sandia Corporation, a Bell System subsidiary in New Mexico. There Western Electric and Bell

Telephone Laboratories direct work on the development of atomic weapons for the armed forces.

This is just one of the many major defense projects undertaken by the Bell System at the government's request.

BELL TELEPHONE SYSTEM



# George S. May *Business Engineering*

*now available to* **Small Business!**

If you have fewer than 16 employees, or if your net sales are less than \$400,000 a year, you can now employ the services

of the world's largest, most successful

business engineering organization!

**READ THIS OFFER!**

**Read what owners of 3 small businesses say about May service:**



**JOHN D. KEENY**  
Secretary  
Kay Machine Co.  
Gloucester, N. J.

**"Still made money on only half the volume"**

George S. May business engineering set up a cost system in this company so that accurate and realistic bids could be made on future work. Job cost control, production control and a revised plan of organization were set up by May engineers.



**DAVID R. DONOVAN**  
President  
Battletown Transfer, Inc.  
Berryville, Va.

**"Operating losses were pointed out and corrected"**

Operating cost per mile in this small trucking company was reduced from 43½¢ to 38¼¢. Furthermore, a net operating loss was changed to a net operating profit of 2%, as a result of George S. May business engineering.



**TOM HOPKINS**  
Owner  
Superior Neon Co.  
Oklahoma City, Okla

**"We're doing more business and making more money"**

The George S. May Company engineers installed price controls, purchase controls, inventory controls and service call controls for the Superior Neon Company. As a direct result of this work, the net profit jumped to 14.3% of sales.

  
Write or call any of  
our 4 offices—our representative  
will call on you without  
obligation—

## **George S. May Company**

THE WORLD'S LARGEST BUSINESS ENGINEERING ORGANIZATION

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CANADA, 1178 Phillips Pl., Montreal, UNiversity 6-9152

# Nation's Business

SEPTEMBER 1955 VOL. 43 NO. 9

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### **The ALL-NEW Mechanized Card Record File**

Kard-Veyer is the *new* electrically-powered card-file unit that cuts finding, posting and filing time to seconds. Here's an all-in-one, fatigue-reducing high output work station that saves profit dollars in time and space.

Kard-Veyer houses from 16,000 to 80,000 record cards in sizes ranging

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If your records-keeping operation includes a large, active card reference file, investigate Kard-Veyer *today*. Call the Remington Rand Office near you, or, write to Room 1911, 315 Fourth Ave., New York 10, Ask for LBV706.

***Remington Rand***  
DIVISION OF SPERRY RAND CORPORATION



## Should a man take a business worry home with him?

Probably not. But if tonight's the soonest you can think about *this* one, then by all means—think about it hard tonight, in your easy chair.

Think what a fix your company would be in if, tomorrow morning, all your accounts receivable, tax, inventory and other records were gone.

And don't content yourself with the thought that nothing *could* happen to them. That they're in the office safe.

Unless that safe bears the independent Underwriters' Laboratories, Inc. label, it would probably *incinerate* your records if a fire started. And a fireproof building would simply wall-in the fire, make it hotter.

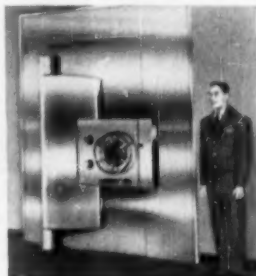
What about your fire insurance? You couldn't collect fully on it unless you could furnish "proof-of-loss within 60 days"—which is virtually impossible without records.

The risk is too great—don't take it, 43 out of 100 firms that lose their records in a fire never reopen! If your safe is old, or doesn't bear the Underwriters' label, or carries a lower rating than your risk calls for—*replace* it! Get the safe that has *never failed*—the famous Mosler "A" Label Record Safe. It's the world's best protection.

Look up *Mosler* in the phone book, right now, or mail coupon for the free booklet, "What You Should Know About Safes."



The Mosler "A" Label Record Safe has passed the Underwriters' most severe fire test—at 2,000° F. Handsome, Modern. Equipped with "Counter Spy" Lock. Full range of sizes—at lower prices than most people guess!



80% of leading U.S. banks rely on Mosler protective equipment. Mosler built the Fort Knox Gold Vaults and the vaults that withstood the Hiroshima Atom Bomb. Only Mosler safes are backed by such a reputation!

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## They Pumped Live Fish... to Prove a Point

When Design Engineers at Fairbanks-Morse perfected the non-clogging pump, they pumped live fish to prove its non-clogging performance. For they knew that if they eliminated the restricted passages that cause expensive pump clogging, they could even pump live fish, whole and undamaged.

The result of that Project is the now famous F-M pump that provides non-clogging service for the food industry, municipal authorities and industrial waste engineers.

Only from Fairbanks-Morse can you get the originality and soundness of *new* design that assure such outstanding performance. When next you need a pump... or a scale... an electric motor... or a diesel engine... look for the famous F-M Seal and see the difference that quality makes. Fairbanks, Morse & Co., 600 So. Michigan Avenue, Chicago 5, Illinois.



**The Secret** of F-M non-clogging pump performance is this unique impeller design that permits pumping all solids in suspension—even fish.



**The Result** is that on installations, like this food processing line, money formerly wasted on pump maintenance due to clogging is now saved.



### FAIRBANKS-MORSE

*a name worth remembering when you want the best*



► **BUSINESS HEADS UPWARD** for rest of year.

Forecast is borne out by study of gross national product--the nation's output of all goods and services--and what becomes of it.

Here's what study shows:

Seven per cent gain in GNP from same period year ago. That's double normal growth rate.

Figures: GNP, '54: \$357,600,000,000; '55: \$383,000,000,000.

Look behind the figures--at components of GNP--to see why strength will continue:

Personal consumption outlay is up \$14,400,000,000--and fourth quarter buying spree lies ahead.

Private domestic investment is up \$12,100,000,000.

Government purchases (at federal level) are down \$900,000,000. But they're up \$2,400,000,000 at state, local levels.

Foreign investment is down \$200,000,000.

Here's where personal spending goes (annual rates, '54 and '55):

Durables: Up \$6,000,000,000 from year ago to \$35,000,000,000.

Nondurables: Up \$4,100,000,000 to \$124,500,000,000.

Services: Up \$4,300,000,000 to \$90,000,000,000.

(Note: Personal taxes are up \$600,000,000 to \$33,300,000,000).

Sales, production figures underline broadened base in nondurables--and in durables other than autos.

Inventory accumulation's on upgrade, runs at \$4,000,000,000 annual rate.

Conclusions:

1. Personal spending's more diversified, shows greater underlying strength.
2. Private investment, inventories up.
3. Government spending, over-all, up.

► **CONGRESSIONAL HEARINGS** will set stage for '56.

They start this month, run through December, range from coast to coast, cover topics from automation to farm prices to narcotics.

Here's a rundown; save for reference and you can watch next year's political battles shaping up:

September: House Interstate Commerce Committee opens hearings on President's Advisory Committee report on transportation.

October: Senate Agriculture Committee starts nationwide hearings on farm price support programs.

Senate-House economic subcommittee will look into automation and its effect on employment.

November: Farm hearings continue; Senate subcommittee will probe narcotics traffic; joint legislative groups will study unemployment statistics, problems of low-income families, foreign economic policy.

December: Senate-House subcommittee will open hearings on tax policies.

Other hearings: Proxy fights, disposal of alien property, minimum wage coverage.

► **PROSPECTS ARE GOOD** for balanced federal budget in '56.

Watch for President's August budget review, due out early this month.

Observers at Treasury Department hint receipts will top \$60,000,000,000 forecast in January, may reach \$61,000,000,000.

Meanwhile, spending cuts will lop nearly \$1,000,000,000 from \$62,400,000,000 January estimate.

Result: Budget just \$400,000,000 in red.

If deficit's erased (even slight added surge in booming business activity could do it), you can underscore certainty of tax cuts in '56.

President puts balanced budget ahead of tax trimming.

► **BANK SAVINGS** are up--and so are withdrawals.

Bankers plan thrift drives to counter-act trend.

Here's what is happening in savings picture:

1. Number of depositors is up 8 per cent.
2. Size of average account reaches new peak of \$1,093 (\$1,665 for mutual savings banks).
3. Savings account interest is up to 2 or 3 per cent.
4. Withdrawals (in relation to depos-

its) hit top of 92.21 per cent this year. That means for \$100 put in bank, \$92.21 is taken out.

Figure is 6 per cent above '52, 2 per cent more than year ago.

Here's what to watch for:

Bigger ad, promotion campaigns by banks to get customers for special savings clubs (Christmas, Vacation, E Bonds) where they can't withdraw.

Campaigns will be backed up by general plea for thrift--hold on to what you have, add to it.

►SOARING AIR TRAFFIC spurs airport demand.

Some fields operate at double capacity while traffic shows 20 per cent rise over '54.

Example: Washington airport take-offs, landings average one every 2½ minutes; runway capacity's designed for one every 5 minutes.

So--Congress will put up \$252,000,000 federal aid which states, cities must match to build new airports.

Sum covers four-year period, can be allocated under contract between Secretary of Commerce and local authorities.

Note: Civil Aeronautics Administration will spend \$22,000,000 in aid this year, reports \$75,000,000 demand backlog for next year.

►CONGRESS' SLOWDOWN on highway program doesn't slow down states.

While Congress refused to pass two road building statutes, state legislatures are speeding up their own projects.

Example: Toll-road programs, shelved while Uncle Sam debated, will be started in many states this fall.

Here's what states are doing:

Fourteen states push gas taxes up as much as 2 cents a gallon.

That's expected to raise \$187,000,000 more for highway improvement.

Twelve states put their OK on highway bond financing programs out of general revenues.

Ten states authorize toll construction projects or create toll authorities.

Two more states (making 16) take steps to see that highway user taxes go only into highways.

Note: Eight per cent growth in traffic

volume, mushrooming auto registration, means more revenue this year from existing tax, license fees.

►APPLIANCE PURCHASES prove strong prop to durable goods sales.

Trend, compared with year ago, indicates they'll take up possible slack if auto sales dip this month.

That will keep outlay for hard goods pushing to record highs (now \$35,000,-000,000 annual rate).

Appliance sales figures to third quarter show:

Ranges up 15 per cent, vacuum cleaners 22 per cent, freezers 6 per cent, washers 28 per cent, dryers 75 per cent, refrigerators 24 per cent.

Ironer sales are down 6 per cent, only decline in appliance sales this year.

Families are growing, too: Biggest refrigerator sales gain (59 per cent) is by boxes over 9 cubic feet.

►BE ALERT to economic indicators.

With careful use they'll serve your business well--but don't overlook their limitations.

Example: Paper and paperboard.

Economists regard them as sensitive indicators because they're used to pack the products of industry and agriculture.

If new paperboard orders are up it may reflect increased business activity.

But keep in mind: More paperboard orders (because it's cheaper) could also reflect effort to cut costs in tight over-all economy.

Technological advances--where paper replaces other materials--could also bring in more orders despite general business dip.

Per capita use of paper is up from 102 pounds a year (in 1910-'15) to 385 (in 1950-'55).

It has risen in unbroken line for 45 years--through booms, depression, recessions and two World Wars.

►CITIES SPEND MORE for planning.

Survey shows 66 per cent boost in number of cities spending more than \$20,000 this year.

Those spending more than \$5,000 jump 58 per cent.

In '55, 100 cities plan outlays over

**washington letter**

\$20,000; 275 cities will spend more than \$5,000.

In per capita planning expenditures, Palm Springs, Calif., leads country with \$1.33 per person.

Other cities: Los Angeles 19 cents per person; Philadelphia 18 cents, New York 8 cents, Chicago 6 cents.

Average per capita outlay: 24 cents.

Ten cities will add new planning staffs this year.

► **MORE PEOPLE** are working than ever before.

And fewer are jobless than at any time since '53.

The figures:

Total labor force: 67,465,000; employed 64,995,000; unemployed: 2,470,000.

Jobless represent 3.6 per cent of labor force, down from 5 per cent year ago.

While labor force grows by 2,997,000, unemployment is cut 760,000 in year and number of employed soars 3,757,000.

Note: Number of employed may show seasonal dip in last quarter as farm, construction jobs fall off.

► **NEW LEGISLATION** adds to U. S. payroll. Examples:

1. Labor Department's Wage and Hour Division has funds for 600 new employes. They'll check up, starting next spring, on nationwide effects of new \$1 minimum wage.

Most will be field inspectors and their staffs.

2. Bureau of Labor Statistics will add 200 new employes.

This group will make special study of unemployment problems, publish several new handbooks.

3. Bureau of Employee Compensation will get 20 new inspectors in Congress-approved reorganization plan.

4. Bureau of Veterans' Reemployment Rights will expand field operations, add about 80 new inspectors.

Impact of new laws will reach state, local levels, too.

Here's what to look for:

Over-all government payroll will top 7,000,000 next year--highest in history.

► **TREASURY STEPS UP** Savings Bond drive. And there's a new sales pitch:

Keep your bonds until they mature.

Here's the thinking behind campaign:

1. More sales--if bonds are held--is added brake on consumer credit, helps spread ownership of federal debt.

2. Bond redemptions are up. That can put added strain on Treasury cash needs.

Note: Investors hold bonds with cash value of \$58,643,000,000--or 46.8 per cent of total bonds issued since '35.

Year ago, investors held 50 per cent of total.

► **GOVERNMENT** has less paperwork than many private industries--relatively speaking.

The figures:

For each U. S. employe, 24,000 pieces of paper are in government files.

But major chemical company has 30,000 filed papers per employe; a large ad agency, 34,000; New York Stock Exchange, 60,000, an eastern railroad, 144,000.

Sidelight: When one major auto manufacturer buys from a principal supplier, an original and 27 copies of the invoice are requested.

Looked over your paperwork pile-up lately?

► **BRIEFS:** Number of U. S. home-owning families jumps from 3,500,000 to 25,000,000 since 1900; 57 per cent of families own homes today against 34.6 in 1900.... Americans have spent \$84,000,000,000 for autos in ten years, repaid \$72,000,000,000 or 86 per cent; approximately 10,000,000 buyers will complete payments this year....Commodity Credit Corporation expects to lose about \$660,000,000 on farm price support program this year; that's \$4 for every man, woman and child in U. S. .... Total consumer credit is up \$4,000,000,000 in year; only one category--repair, modernization loans--shows drop (of \$73,000,000)....Army's standardization of tank parts will save taxpayers \$560,000,000 during next decade; in '44, medium tank had five engines, 4,310 parts; today, single engine powers six different models with 1,320 parts.... Atomic energy research will cost private industry \$300,000,000 in next four years; that doesn't count government's outlay of \$2,000,000,000--\$4,000 a minute--during fiscal '57.

Are you  
and your  
employees  
only partially  
insured?



Now you can get  
all these benefits with

## NEW YORK LIFE'S EMPLOYEE PROTECTION PLAN

- ★ Life Insurance!
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**NEW YORK LIFE**  
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A Mutual Company  Founded in 1845

The New York Life Agent in  
Your Community is a Good Man to Know

# Businessmen say ▼ ▼ ▼ ▼ ▼

### About 1,000,000 salesmen

I think the August issue is one of the best you have ever published. But of special merit is "America Needs a Million Salesmen." I think this is one of the finest things I have read on the subject. It is well put together, authoritative and certainly can be used to excellent advantage by all of us in marketing. Will you arrange to send me 200 copies of the reprint and bill my company?

ORVILLE C. HOGNANDER,  
Vice President  
G. H. Tennant Company  
Minneapolis, Minn.

Mr. Shaw is very enthusiastic about your article. . . . We would like to order 50 of these sent to Mr. J. S. Shaw, president of this company.

SHAW-BARTON, INC.,  
Coshocton, Ohio

Please enter our order for 100 reprints. . . .

CONTAINER CORPORATION  
OF AMERICA  
Anderson, Ind.

Enclosed is our check for 25 reprints of your article. It is the finest of its type I have read in many years of looking at such articles.

E. ARNSTEIN  
Arnstein Carpet Co.,  
San Francisco, Cal.

I have read your article, "America Needs a Million Salesmen" with a great deal of interest. I would like to order 20 copies for distribution among my associates.

A. G. GARRIGUES  
Philadelphia Electric Co.,  
Philadelphia, Pa.

Reprints may be obtained for \$7 per 100 including postage.

### Too old, too successful?

America may need 1,000,000 salesmen as your August issue contends. I'm sure it does. However, 'hard put' industries are overlooking one bet. How about the successful salesman who is seeking work? Here's my story—it is being repeated daily all over the country.

I am 43, have a family, three

cars, and owe no one. I started in 1935 by inventing the ..... and founded the ..... Company. Sales were made internationally. During the war I was instructor-in-charge of the Signal Corps Radio School. Upon returning to my firm (which I owned) I concentrated on the sales promotion.

I traveled the United States and sold such firms as General Electric Supply, Sears, Gamble-Skogmo and other nationally known wholesalers and distributors. All this time I was making good money. Then it became advantageous to sell out.

So I became a manufacturer's agent and pioneered such products as plastic tubing, electronic specialties and allied lines. Then I took on a brand new line and sold several million dollars during the past three years. My earnings were in six figures. Uncle Sam was taking a healthy cut so I again sold out.

Since February I have been seeking an opportunity to ply my trade, but am told that my age is against me even though my health is fine. When prospective employers find out how much I've made in the past, they say, "Why man, we can't afford you." I'd work for \$400 a month if I had a chance.

"A man with your record wouldn't be happy here," I'm told, "you should be in business for yourself." I've been in business for myself but I don't want any more payrolls to meet—I just want to sell.

I can sell and I know of several firms who could well profit by using my experience. They have rules about age and pension plans. All these things hold me at arm's length. The management of these firms are experienced and I meet them on my own level. They say, "You'll have no trouble getting a job; a man with your record should be welcome anywhere." But they are seeking some young fellow.

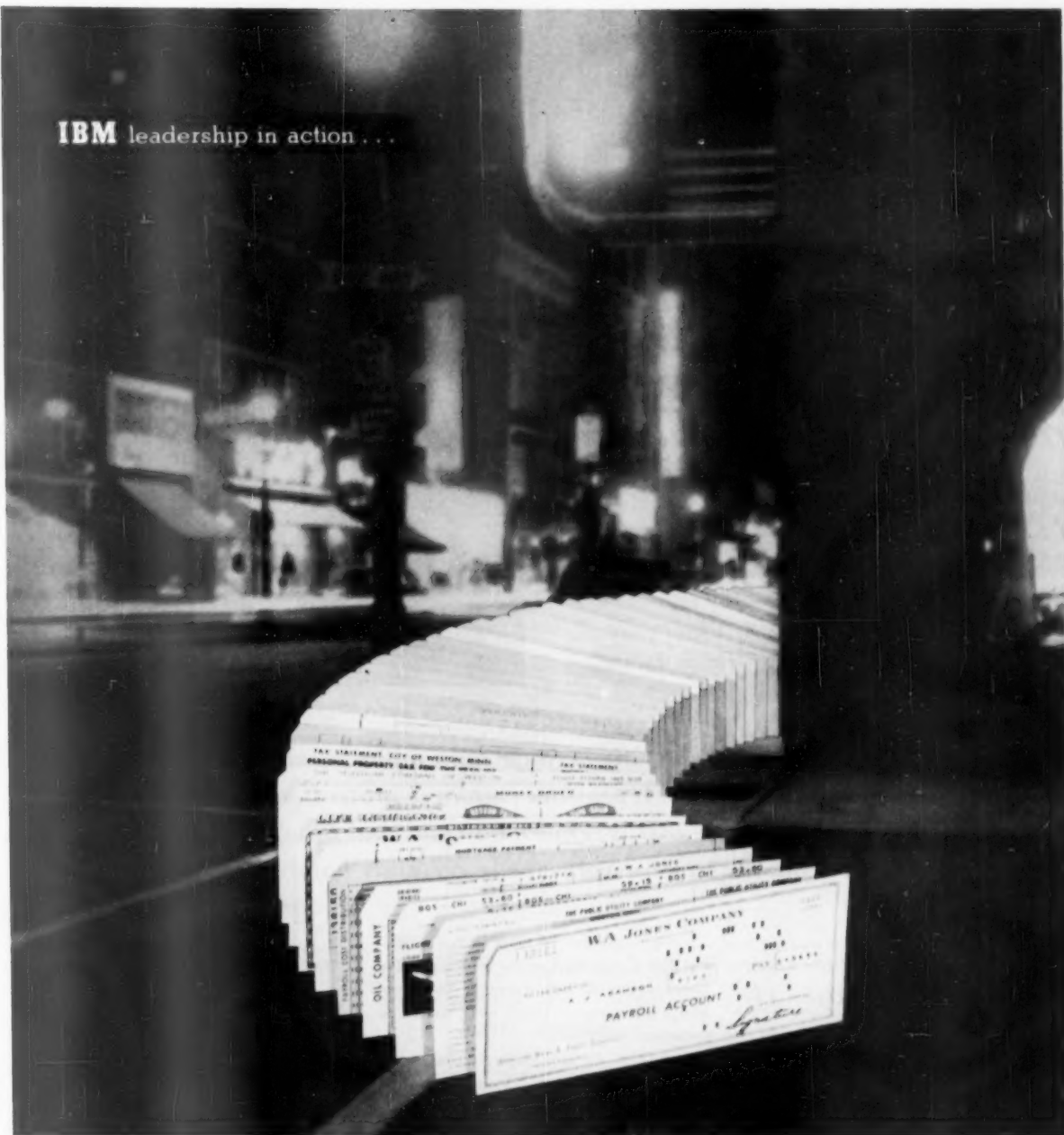
I'm available, and I know of others.

(NAME WITHHELD)

### Farm profits

In your August issue there is an article regarding "\$34,000,000,000

IBM leadership in action . . .



© IBM

## Parade with a purpose

Today, an almost endless parade of IBM punched cards serves business, industry, and government in widely varied roles—as vital aids in routine record keeping, as checks and money orders, airline tickets, utility bills, insurance premium notices, and many, many other kinds of accounting documents.

But even more significant than the part they play in your daily life—these millions of IBM punched cards are vital evidence of real progress in better business methods.

They represent the solution to practical business problems.

IBM's on-the-job experience and continued progress in advanced equipment design are helping American industry work better and faster—at less cost.

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New York 22, N.Y.



*“Through BLUE CROSS®  
our 2500 employees  
are assured the best  
in hospital care!”*

says **EUGENE WULSIN**, Vice-President,  
The Baldwin Piano Company



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farm market growing." Anyone in the city reading this article will say "What a big business farming is getting to be."

The only thought I got after reading the article was that the present methods and improvements are creating more farm surpluses. Why didn't you tell who is buying these surpluses and how much it is costing the taxpayers?

I have owned and operated a dairy farm near Detroit for over 50 years and during all that time it has paid for its operation, in good and bad years, until this present year, 1955. The price of milk and other salable crops does not cover the expense of operation, and I am personally going in the red. In talking with other farmers, I am told they are in the same fix.

The article states that "rural buying power will continue to increase faster than the buying power of those not on farms." What a pipe dream! Does the author not know what the labor bosses are doing for their members?

JAMES I. VAN KEUREN, *President, Capitol Savings and Loan Co. Lansing, Michigan*

An enclosing bulletin which sort of contradicts your article on farm profits as related in your August issue. There are a lot of people getting the wrong impression of the farming business today and I believe you should dig a little further into it. I have made the statement that I wouldn't advise my son to buy a good 160 acres at \$40,000 today if he had \$10,000 to pay down. He would be taking a big chance of getting out unless things change for the better.

BRUCE F. CLOTHIER  
*Martindale Stock Farm  
North Branch, Mich.*

*The article reflected national long-term trends. Local situations and short term trends frequently run counter to such broad movements.*

#### Copper cropper

Our Ruth Copper Pit, located just eight miles from Ely, is the actual subject of the photograph (page 59, July issue), whereas it is labeled Kennecott's Bingham Canyon, Utah, mine.

DARWIN LAMBERT, *Exec. Secy. White Pine Chamber of Commerce and Mines Ely, Nevada*

*Mr. Lambert is right.*

#### Labor's organizing plans

We would appreciate receiving a copy of your report [June issue] (Continued on page 76)



Eugene Wulsin, *Vice-President, The Baldwin Piano Co., also says—*

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## BY MY WAY

*Resuffus*



### In aviation's dreamland

I have done a lot of passenger flying, but I still think I dreamed it. As we used to say in Vermont, I guess maybe it is something I et, though I always feel extraordinarily well. . . . For instance, we took off at Idlewild, near New York City, and by the time we were settled in our seats we were over Detroit. I remarked that this was remarkable. But it wasn't Detroit, it was Chicago; it wasn't Chicago, it was Denver; it wasn't the Rocky Mountains, it was the Sierras; and I hadn't really settled down for my afternoon nap when the beautiful hostess urged us to fasten our seat belts and we were rolling down the International Airfield near San Francisco. We had left New York at one p. m., local time, and we were at the end of our journey at 6:30 p. m., also local time. You can't expect a man who once knew how to hitch up a horse to believe things like this. Not even when they really happen.

### Idyllic Monterey

Monterey, Calif., is one of the laziest places in the world if you're a tourist and that is what you want. You can sit on the sand a few steps from the busy center of the little city and let the world go by. You can visit the old buildings constructed before the Americans took over; lovely, peaceful adobe structures they are, and they almost make a person wish it was 1846 again. A while back the sardines that used to swim around outside Monterey Bay, and sometimes well inside it, went south, and with them went the fishing fleet. I wouldn't want to be sitting on the sand of the little harbor if word came that the sardines were back, and clamoring to be put in cans; I'd run for Carmel or Pacific Grove before I was stepped on or put to work.

### Loving all our country.

Although the airlines, in their commendable zeal to get us some-

where in a hurry, leave us less and less time to look down, the air traveler can still catch glimpses of the states and regions as they flit by. I marvel always at the extraordinary neatness of the farm lands—in Iowa, for example, Nebraska, or eastern Colorado—at the beauty of isolated green spots in the arid lands; at the simple and majestic ways in which water gathers and moves toward the sea; at the extraordinary complexity of mountain ranges, some of them with snow lingering on into deep summer; at the golden patterns of cities by night and their orderliness by day. We begin by loving a part of our country, perhaps, because of a few familiar places, but we may end by loving all of it. It is not just a map that we see from the air—it is a great and noble heritage.

### What's a house without lines?

The best comment I have recently heard on modern architecture came from a taxi driver in San Francisco. "Everything's got to have lines these



days," he said. Then he sighed, and his two passengers sighed with him. Maybe it was better, we all seemed to be thinking, when a house was considered a house if it had four walls and a roof.

### More about "going back"

As somebody said, you can't go back to a place you have known and loved. You really can't, as I have found. The trouble is not in the place or in the going back, it is in what you take back. The you who goes back isn't the same you who went away. He may, of course, be better or wiser. In my own case I don't claim to be



either the one or the other. What I am sure of is that I know a little more, which doesn't mean being wiser, and that I can't walk quite as far or quite as fast without puffing. But I get along, after a fashion.

### The cow and I

I believe I have mentioned in this space that I once led a cow, on a Sunday morning, down the main street of Palo Alto, Calif. My—or rather our—route took us through the campus of Stanford University, thence about two or three miles out, to the neighborhood of Searsville Lake. We had a nice, quiet, contemplative time. The cow chewed her cud, and I,



figuratively speaking, chewed mine. I would not try such a thing today. Palo Alto has about 35,000 population and I don't believe I could persuade any sensible cow to get out in the traffic that lopes down University Avenue and whizzes into the foothills. I have often wondered what became of that cow.

### Not just Hollywood

I saw some pretty ladies in Hollywood, which is that part of Southern California where they do many things but they do *not* make motion pictures.

But I saw just as many in San Francisco, and I never walk around New York, Washington or any other city, at home or abroad, without seeing some. I do not mean to; at my age I shouldn't; I just can't help it. I am glad, in general, that this is the case.

### A nation of travelers

I have been observing the traveling public and thinking about it. The traveling public is no worse than that part of the public that stays at home. It may even be better, because it tends to get, as we know, broader and more philosophical. I do believe that traveling is about the most American thing we do. This nation has been made, its traditions have been created, its wealth has been developed, mainly because its people were willing to travel.

(Maybe I have thought this up because I personally intend to do some more traveling in another month or so, and just want a good excuse.)



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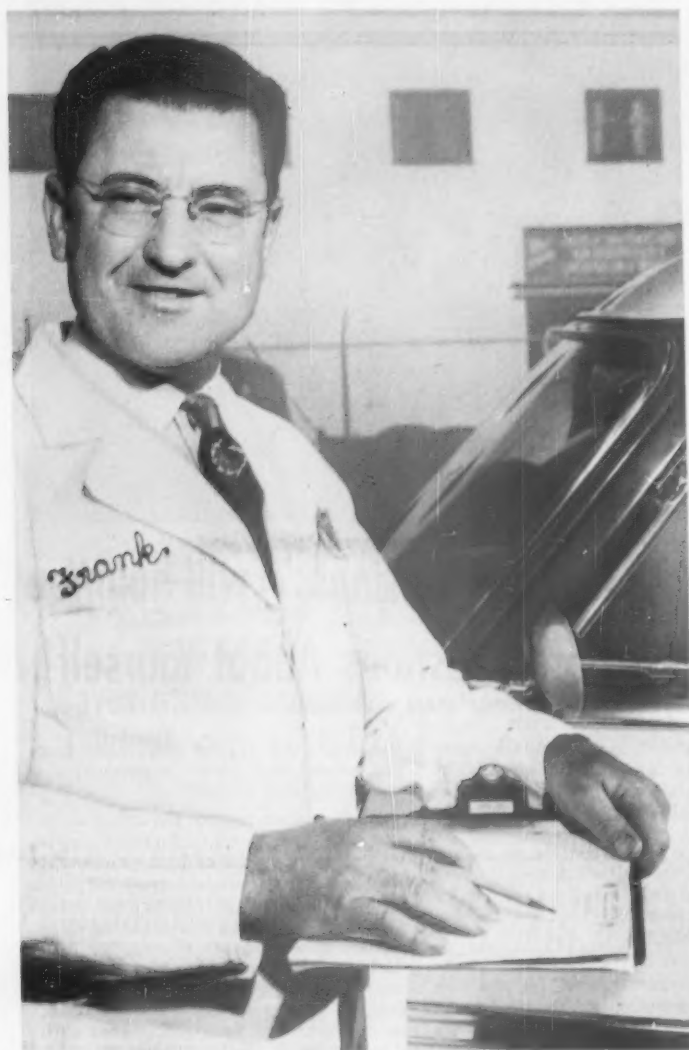
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Trends of Nation's Business:

## State of the nation

By Felix Morley



GEORGE LOHR

# Coming issue: Equal rights for voters

IN THE LAST presidential election Dwight D. Eisenhower obtained 442 electoral votes as against only 89 for Adlai Stevenson. But if the electoral vote had been divided in the same proportion as the popular vote, the picture would have been much more consoling for the Democratic candidate. In that case General Eisenhower would have had 281.6 electoral votes. Mr. Stevenson would have had 240.3. Minor candidates would have divided the remaining 9.1 votes needed to compose the electoral college total of 531.

Now that another presidential year is looming, this sharp discrepancy between the voice of the people and the voice of the electoral college is again a subject of widespread criticism. The issue is unquestionably important. And the time to examine it without personal prejudice is before, not after, the candidates for the White House are nominated.

In its present form the electoral college system can defeat a presidential candidate who has actually polled more popular votes than the one elected, as happened when Tilden lost to Hayes in 1876, and again when Cleveland lost to Harrison in 1888. Even without an outcome as disconcerting as that, the present system of presidential election exercises a continuously dubious political effect.

For instance, it is imperative that a presidential candidate should be acceptable to the party managers in New York State, with 45 electoral votes, while his popularity in Delaware, with only three electoral votes, is of negligible significance. As Senator Mundt of South Dakota sees it: "You have this incongruous situation whereby an individual voter in the State of New York packs an electoral

college wallop 15 times as great as a citizen of the same capacity and ability living in Delaware."



Our form of government, however, has many such incongruities. If one looks at the Senate one sees the balance there weighted as strongly in favor of Delaware (or South Dakota) as it is weighted against them in the electoral college. South Dakota, by the 1950 census figures, had only 401,000 potential voters—people aged 21 and over—as against 10,375,000 in New York. Yet each of those states has two senators, meaning that a constituent of Karl Mundt packs a senatorial wallop more than 25 times as great "as a citizen of the same capacity and ability" living in New York.

The explanation, in both cases, is that our system of government is not technically a democracy. What we have is a federal republic, designed to protect both the local sovereignty of the states and the fundamental rights of the individual against the potential tyranny of unrestricted majority rule.

The Founding Fathers spent long and laborious weeks in deciding the method by which the President of this federal republic should be chosen. The solution found is really described in the title selected for the office, which is not President of the American People, but President of the United States. To emphasize this it was decided that the people should never vote directly for the President, but for electors who in each state should be equal in number to the total congressional representation of that state—senators and representatives combined. The chosen electors then "meet in their

## State of the nation

respective states and vote by ballot for President and Vice President."

The beauty of this dual arrangement, in the minds of its architects, was not only that it emphasized the importance of the states as political units, but also that it provided a screening process to eliminate candidates with "talents for low intrigue and the little arts of popularity." The phrase is Alexander Hamilton's.

• • •  
What could not be foreseen was that, with the development of the party system, the electors would cease to have the discretion they were supposed to exercise, and would become mere figureheads pledged in advance to support the party slate. This of course means that a candidate with a mere plurality—often much less than a majority—of a state's popular vote, will nevertheless obtain its solid electoral vote.

It is here that we find the real point of Senator Mundt's anxieties. For the principles of democracy and of federalism are alike flouted when a minority of ballots can decide the political will of a state. Such an outcome is equally undesirable for heavily and thinly populated states, the difference being that the nationwide effects are far more damaging in states with sizable electoral votes.

In the big cities of these populous states unscrupulous politicians can easily exercise undue influence over candidates whose success is contingent on those solid blocs of electoral votes. When the state is closely divided, boss control of only two or three per cent of its registration will swing the balance. This gives the readily organized congested districts enormous advantage over the suburbs and rural areas. It further tends to promote splinter groups, which with relatively little effort can support or cut a presidential candidate, depending on the degree of his subservience to their will.

The problem, moreover, can affect either major party adversely. In the 1948 election the Republicans got just one per cent more of the popular votes than the Democrats in New York State, yet obtained all 47 electoral votes (as New York had then) on this trifling plurality. The same ballots of the same voters on the same day sent more Democrats than Republicans to Congress from the same state that was voting in effect unanimously for a Republican President.

Anomalies of this character, which could be paralleled from the experiences of other states, are too extreme to endure. And as the situation becomes more widely appreciated, the movement for reform of the electoral college, already strong, will almost certainly bring action. But first a decision must be made between the two conflicting lines on which

the advocates of reform divide. A constitutional amendment will be necessary and there is sharp difference between the two proposals which were studied during the recent session of Congress.

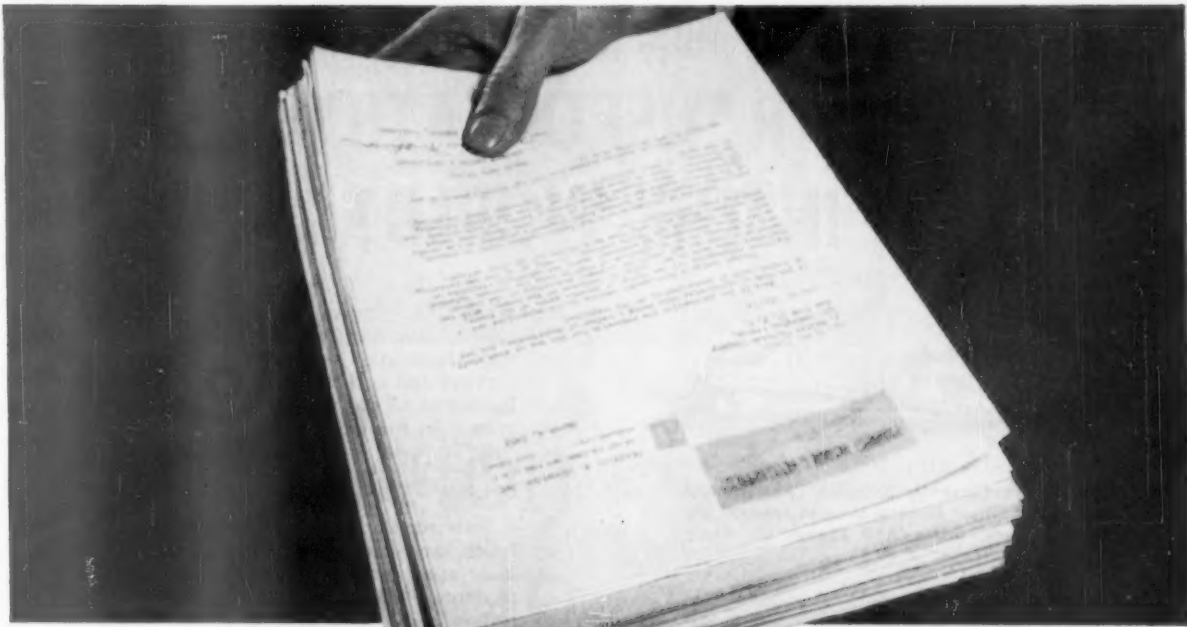
Chronologically the first of these proposed remedies is the Lodge-Gossett Amendment, adopted by the Senate though not the House as far back as the Eighty-first Congress. It would specifically abolish the electoral college, substituting direct voting for President and Vice President. But a shadow of the present system would be retained, inasmuch as each state would credit the candidates with such proportion of its electoral vote as they had received of the popular vote in that state.

The alternative reform, which is clearly gaining in favor, is known from its congressional sponsors as the Mundt-Coudert Amendment. This would maintain the electoral system exactly as specified in the Constitution, but would prescribe that the electors be chosen by congressional districts, just like the members of the House of Representatives. The two electors balancing the two senators for each state would be elected by statewide vote.

• • •  
Had the Mundt-Coudert Amendment been in effect for the last presidential election, Mr. Eisenhower would have received 375 electoral votes to 156 for Mr. Stevenson. This would have been much closer to the proportions of the popular vote than the actual results, though not as arithmetically just as the Lodge-Gossett tabulation, noted at the outset of this article. But more to the point than precise numerical adjustment is the fact that the Mundt-Coudert alternative would eliminate what is called "the excess bargaining power" of big city machines, without violence to the Constitution.

Indeed there is good evidence for concluding that the Mundt-Coudert Amendment would fulfill, rather than revise, the original electoral plan of the Founding Fathers. When they left it to the states to determine how presidential electors should be chosen they did not anticipate that party pressures would make all electors vote, even against the will of the majority in the state, as statewide units. The essential feature of the Mundt-Coudert plan is that it ties the elector to the will of his congressional district, thus permitting a more accurate reflection of state opinion without doing any injury to the federal basis of our republic.

That is important, because while new problems have made it necessary to supplement and expand the original Constitution, there has never yet been any amendment tampering with or damaging to its basic structure. The strongest single argument against the Lodge-Gossett proposal is that it would silence the voice of the states as such, so far as the election of a President is concerned. And any measure that destroys the rights and dignities of the several states as such is manifestly destructive to the spirit of a federal republic.



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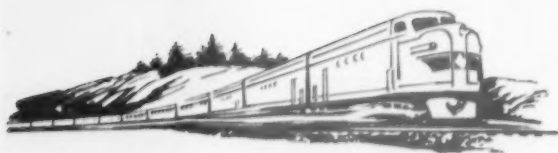
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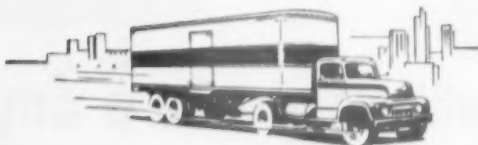
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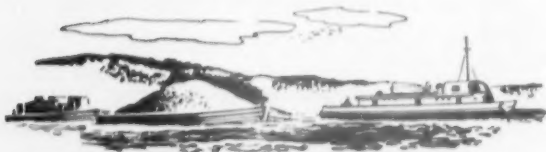
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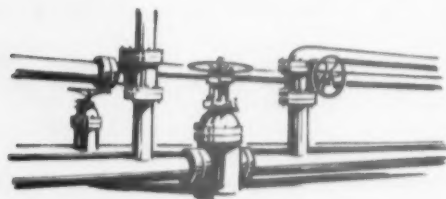
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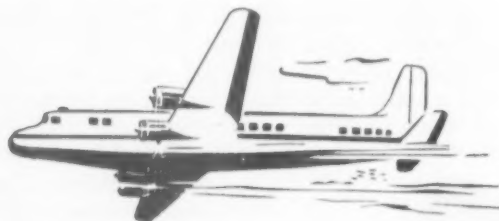
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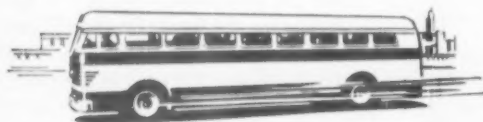
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**If You've Got It . . . A Truck Brought It!**

Trends of Nation's Business:

# Washington mood

By Edward T. Folliard



## Washington looks to Geneva again

IT MAY be a sign of the times that the State Department is getting a new \$60,000,000 building. Located in Washington's "Foggy Bottom" area near the Potomac, it will really be an annex to State's present building, but twice as large.

Congress, in authorizing a start on the building, was in a sense underlining the State Department's tremendously important role in the world of today. It is a department that has been called our "real first line of defense," meaning that its job is to guard our security and to do it if possible by heading off war.

The State Department has always seemed more remote to Americans than our other agencies of government—the Defense Department, for example, or Agriculture or Commerce. This is strange when one considers the impact that its work can have on the lives of all of us.

Anyway, with President Eisenhower away and Congress in adjournment, the State Department right now is perhaps the most newsworthy place in Washington. Secretary John Foster Dulles and his aides are getting ready for the next act in the drama that began with the Big Four meeting in Geneva. This will come next month when Secretary Dulles meets with the foreign ministers of Russia, Britain and France alongside the same Swiss lake.

Meantime, Washington is a city in which hope contends with skepticism.

Only one thing can be put down as a certainty:

The Reds are behaving differently. That is what inspires hope.

Yes, but what does this new communist behavior mean, a change of heart or merely a change of tactics? It is that question that causes the skepticism.

There are some who say it is time to drop the words cold war and to refer to this as the period of the great thaw. Surely, it is a little early for that. But it does appear that the world's political climate is more friendly, superficially at least.

. . .

The departure of President Eisenhower for Denver is a reminder of that. Looking back on the President's sojourn in Denver last year, he could hardly have had much repose. I was there at the time and I remember vividly two incidents that reflected the crisis atmosphere of the time.

Sen. William F. Knowland of California, angered by the Russians' action in shooting down one of our Navy planes, asked the President to break off diplomatic relations with the Soviet Union. He contended that this was the only way to answer the Russians' "arrogance and aggressiveness."

A few days later there was more excitement in Denver when the President called an emergency meeting of the National Security Council—the first time that top strategy group had ever met outside Washington. He called it because of the danger that Red China might attack Quemoy and Matsu, the offshore islands held by Chiang Kai-shek's Chinese Nationalists.

All this time, there was a clamor in Europe for a Big Four conference in line with Winston Churchill's idea of a meeting at the summit.

Not long after President Eisenhower returned from Denver, he said the United States was willing to attend a conference of the big powers, provided that it was given some assurance of sincerity of purpose. But he had to confess that Russia and Red China showed no evidence of genuine change.

Well, is there evidence of change now?

President Eisenhower certainly thinks so, although he probably would hesitate to say this early that it is a genuine change. It might be added that

## Washington mood

Congress—most of its members, at any rate—shares the President's guarded optimism. If these members reflect the thinking of their constituents, as they usually do, then it could be said that most Americans also believe that the international picture has brightened.

This in itself is significant.

For the better part of ten years, Americans generally were of one mind about the Reds: that they meant us no good, that they couldn't be trusted, and that the only language they understood was armed strength and plenty of it. There is good reason to believe that they still feel that way, even as they applaud the President's efforts and hope for sanity and horse sense in Moscow and Peiping.

Two questions are in order: First, just what has happened to change the world outlook? Second, what does it all portend?



Answering the first question, it must be said that not much of anything has happened; that is, not much in the way of solid achievement. The communists, to quote Mr. Churchill, have left off doing some things they should never have done in the first place, but there is not much else to cheer about.

President Eisenhower does not in fact claim that much has happened so far. He has said he was most impressed at Geneva by the improved manners of the Russians, by the absence of name-calling and the propaganda poison that had marked other international conferences. He was pleased, too, that the Russians agreed that there ought to be more visiting back and forth between peoples living on different sides of the Iron Curtain—one consequence of which will be visits to Moscow this year by nine United States senators.

What all this portends for the future is something only the future can answer. The "acid test" will come, as the President has said, when the foreign ministers of the Big Four meet next month and try to translate generalities into concrete agreements.

As we await this showdown, there appear to be three viewpoints here about the Russians.

Some think that the new rulers in Moscow have concluded that Stalin's policies are bankrupt, and are therefore fast ditching them. They think Bulganin and Khrushchev are sincere in wanting a live-and-let-live agreement with the West, even though clinging to the doctrine of an ultimate communist world.

Others think that the men in the Kremlin are simply trying to buy time. That is to say, they suspect that the Russian leaders are trying to persuade the United States and its allies to agree to

a relaxation of tension, hoping that time and sweet talk will give them what they want—a break-up of NATO, departure of American troops from Europe, a dismantling of overseas Air Force bases, and a demilitarized and submissive Germany.

The third school of thought has had only one compelling voice in Washington, that of Sen. Joseph R. McCarthy of Wisconsin. Just before the curtain went down on the first session of the Eighty-fourth Congress, Senator McCarthy made a bitter attack on President Eisenhower. He attacked him, not only for what happened in Geneva, but even for going to Geneva.

Senator McCarthy said the President had met face to face with the "apostles of hell." He said that to call Geneva a success was "a fraud on the American people."

President Eisenhower realizes that Senator McCarthy is not alone in his viewpoint. He was aware of this before he ever left for Geneva. That was why, in a talk to the nation before his departure, he argued that it was better to try to do something than just to do nothing.

Geneva certainly transcended domestic politics. Nobody has yet said, or is likely to say, that the President went there with any political considerations in mind. Nevertheless, it probably will be impossible to divorce it from politics altogether. For one thing, Geneva has sent the President's stock to an all-time high.

The Republicans are telling themselves and each other that it has made it more likely than ever that the soldier-statesman will run in 1956.

They base their reasoning on two things: the time element and President Eisenhower's sense of duty. The prospect is that the negotiations flowing from the Geneva conference will be long and difficult, even granting good will on the part of the Russians. In all likelihood, the negotiations will last far beyond the spring of '56. And it is then that the President is expected to make known his plans about a second-term race.



Those who think they know President Eisenhower pretty well just can't imagine his quitting the White House and retiring to Gettysburg at a time when the statesmen of the world would be trying to carry through on something he himself helped to start at Geneva.

The President still seems to enjoy the speculation, which breaks out at every one of his news conferences. Yes, he told reporters at one of them, the world situation will be a factor in his decision. So will the domestic situation, he said, and also his own situation—his health and how he feels. But he said also that he was not a prophet and couldn't foretell all those things now.

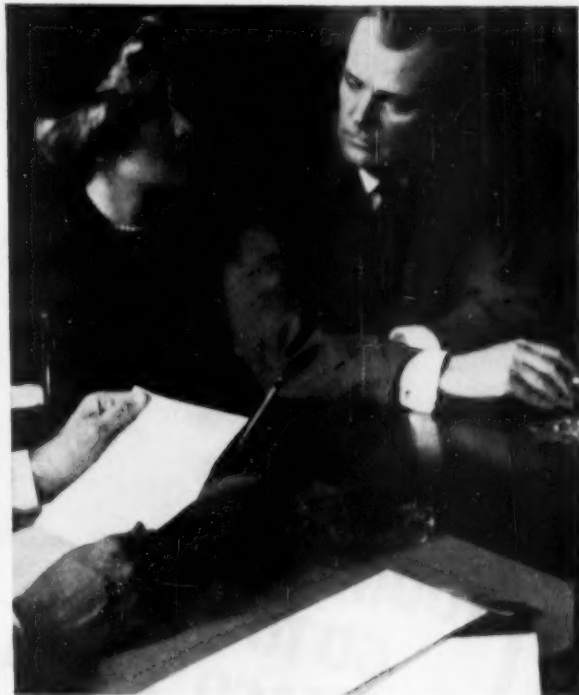
The Republicans who assume he is going to run base their assumption purely on faith. They still don't have the word.



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New York 7, N. Y.

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**Mr. Larson, what are the prospects for employment during the next six months?**

It's safe to say that the prospects for employment are very good as far ahead as one can see.

**Why is that?**

I would sum it up this way: Nationwide employment is at an all-time high. In most areas, labor requirements are approaching a more satisfactory balance. Such unemployment as we have is the result of various specific industry or specific locality difficulties.

**You expect this healthy balance to continue?**

That is right. Employment is a function of a vigorous and expanding economy. Therefore, if you have faith in the general future of the economy, you have confidence in employment. It wouldn't necessarily follow the same line, but, from a long range point of view, business prosperity generally means good employment and good employment, in turn, means high purchasing power leading to good business.

**Just what is our employment level today?**

The total civilian labor force is estimated at 67,465,000. Total employment was 64,995,000 in July.

**Would you define those figures for us?**

The civilian labor force includes anybody who works for a living, including executives and the self-employed. It includes unpaid workers in family businesses. It also includes not only people who are working, but people who declare themselves to be seeking work.

**Is the figure of 2,470,000 unemployed the lowest we have ever had?**

No. It is not the lowest, because during the wartime periods unemployment fell to as little as 600,000 or 700,000.

**Is the present unemployment figure large or small in comparison to the 67,465,000 work force?**

Any avoidable unemployment is unfortunate, and we should never rest as long as these figures can be reduced.

But I think it is fair to say that 2,470,000 unemployed out of a 67,465,000 total work force is not the sort of thing that should lead anybody to suppose that something is fundamentally wrong with our business picture, or that radical measures are necessary.

The crucial thing about this figure is that the character of the un-

employment problem today is quite different from the character of the unemployment during the depression.

**How do you analyze this unemployment figure?**

The unemployment we have now is unemployment in spite of prosperity. Before, we had unemployment because of depression. The solution that might have been proper for the one might be the worst possible treatment for the other.

But, because during the depression unemployment was a symptom of a really serious condition, people formed a kind of mental association between unemployment and depression. Even during times of prosperity such as we are going through now, many people keep their eyes glued on this unemployment figure. It doesn't matter whether every other line—production, wages, employment or any other indicator—is running off the top of the graph, they still say, "There must be something wrong with the economy because we have 2,000,000 or 3,000,000 people unemployed. The government must do something."

**What is creating unemployment today?**

The unemployment that we have today is made up of several compo-



*Mr. Larson's knowledge of labor economics is based on studies in this country, England and continental Europe. He has written many books and articles on employment problems*



nents. One of them we don't have to worry about much. It is what the economists call frictional unemployment. That we will always have. These are the people who are between jobs, who are looking for better jobs, traveling around, moving from place to place, who, for one reason or another, are not working at the moment, but who are not in that position because of some personal tragedy or layoff or forces beyond their control.

**What proportion of the unemployment figure would you say that is?**

This figure can't be exactly estimated, but it may run around a third.

Now, as far as the rest of the figure is concerned, a large part of it is made up of area unemployment. That is, unemployment caused by particular or local reasons.

Examples would include unemployment in certain coal areas and certain northeastern textile areas, in some cut-over timberland areas, some other areas where natural resources have been exhausted. Various reasons of that kind produce unemployment that would go on no matter how high the level of general prosperity might be. That's why I

stress that you need a different kind of treatment once you recognize the character of the unemployment you are attacking.

**What are the reasons for today's high employment?**

One reason is that our economy has for the first time achieved a balance between private and public elements; particularly a balance between government and private enterprise. There was a period when the government took too little interest in business and in business cycles. Then we went through a period in which government was inclined to interfere too much with private enterprise. Now we have struck a balance; and when this private enterprise system can have free play, coupled with the right amount of government regulation, backstopping and general watchful scouting, it can prosper indefinitely.

**Are you implying that the government today is standing aside and letting business operate in its own way?**

No. The government is doing all sorts of things that we take for granted now in the way of everyday regulation. Nobody questions them much any more. We have the Securities and Exchange Commission regulating the issuance of new securities; we have the Federal Trade Commission, Federal Power Commission, Federal Communications Commission, Civil Aeronautics Authority. All of these activities form a kind of framework within which economic forces have free play. There is enough space so that the real inherent forces of private enterprise can operate. Also we have learned a great deal about business cycles and what the government can do.

**What sort of thing can the government do?**

One example is the problem areas we have just spoken of. There the government is doing more than most people realize. The Area Development Division of the Department of Commerce helps various areas with high unemployment to work out ways to attract industry, build up their economy and lay the groundwork for solid expansion.

The Department of Labor also has its Community Development Program, which uses its resources, including the facilities of the employment service, to help lower the unemployment in these areas.

For example, we analyze the available skills among the unemployed and, through our network of employment service offices, call the availability of these skills to the at-

tention of places where these skills might be needed.

We also make area labor market classifications and designate the labor surplus areas which are entitled to special tax amortization allowances, special set-aside preferences in procurement, and certain exemptions under the Buy-American Act.

So far as results are concerned, the over-all picture is this: At the beginning of the year we had 48 major labor market areas which were classified as areas of substantial labor surplus—areas where, roughly, unemployment was something more than six per cent and prospects indicated that no improvement was likely.

The number of these areas had dropped to 32 as of June. Indications are that the figure now is somewhat lower.

This projection is based on the opinions of employers that improvement in employment will continue into the fall, although at perhaps not as great a rate as in the past six months.

I think, however, we have to recognize that there are some extremely stubborn problems in some of these local areas that will require the constant hard work of everybody involved, with a heavy responsibility on the local people themselves. A great deal of progress is being made in some cities.

In the northeast, unemployment has been taken up to a considerable extent by a variety of new industries, including electronics and various light industries.

I don't want to say that this has solved the problem in these areas; it has alleviated it.

**While we find ourselves with spots with a hard core of unemployment, it appears that other markets are beginning to show shortages of certain types of labor. Is that correct?**

Yes. Shortages are developing in some occupations in some sections. There is a stenographic shortage in Washington, D. C., and in some other cities shortages are appearing in certain particular skills and occupations, such as engineering generally, electronics skills, the highly skilled metal processing workers, and scientific personnel in connection with industrial research.

**Are there other examples of what government can do to stop unemployment?**

The period between July, 1953, and January, 1954, when employment fell off as much as 4,000,000, is a good example of the difference in approach between this Adminis-

tration and earlier ones. During the '30's, when unemployment was rising, the government began to increase taxes.

Personal deductions were cut from \$3,500 for married persons to \$2,500. The income tax was raised so that the maximum went from 25 to 79 per cent. A tax on undistributed profits, a gift tax up to 52 per cent, new excise taxes, a capital stock tax, and a whole array of tax increases went in.

In '53 to '54 the opposite happened. Personal income taxes, excise taxes, and other taxes, were cut sharply to a total amount of about \$7,400,000,000, calculated on an annual basis.

This prompt tax reduction created a great deal of purchasing power on the one hand and a great deal of business activity on the other.

One of the remarkable things about the 1953 downturn was the sustained high level of retail buying and construction that went on and the sustained high level of investment by businessmen. I think the cut in taxes had a lot to do with both.

**Then you would indicate that, all things being equal, as the economy expands we can expect a gradual lowering of taxes?**

I would think so, assuming, of course, a continuing policy of reducing government expenditures.

Another move, of course, is available to the government when the time comes to intervene in a developing abnormal situation. That has to do with the tightening or the easing of credit through activity of the Federal Reserve and the Treasury. As early as June, 1953, when some indication of a possible need for action was appearing, the Federal Reserve adopted a policy of ease in credit which was pursued right through this entire period in a number of ways. That had a lot to do with keeping up the volume of business activity, the volume of home construction, and so on.

**Doesn't stimulating the use of credit help kick off an inflationary trend?**

No. It has to be skillfully timed; it has to be worked both ways. If an inflationary trend is developing, then we should apply restraints. These restraints may occur not only in Federal Reserve actions on credit policy, but also Treasury actions on debt management and monetary policy. For example, the Treasury has been substituting long-term obligations, such as the 40-year three per cent bond issued last February, for the short-term obligations which

were a constant source of inflationary pressure.

Of course the biggest factor of all probably is stabilizing the value of the dollar and stabilizing the cost of living.

**How does that work out?**

First of all one should observe that for about a year and a half the cost of living index has remained virtually unchanged. It's 114.4, using '47 to '49 as 100. But see what had been going on earlier. There was a big jump from '46 to '47. Another big jump from '47 to '48, from '50 to '51 and so forth. These increases in the cost of living canceled out wage increases.

Let's take 1950 to 1951 to illustrate what I mean. The gross average weekly earnings of production workers in manufacturing rose between '50 and '51 from \$59.33 to \$64.71, but in the same period the actual net spendable average weekly earnings in terms of a 1947-49 dollar dropped, for a worker with no dependents, from \$49.70 to \$48.68.

**What has happened since then?**

Let's take a similar comparison now from 1953 to 1955.

Gross average weekly earnings in 1953 were \$71.69. For a worker with no dependents, net spendable weekly earnings, in terms of the 1947-49 dollar, were \$51.17.

By March, 1955, the gross average weekly earnings had risen to \$75.30, and the net spendable weekly earnings per worker with no dependents, in terms of the 1947-49 dollar, had risen to \$54.41.

So as the gross average weekly earnings have gone up, so have the stabilized-dollar real spendable weekly earnings.

**You believe then that under proper conditions wages can rise without any equivalent rise in the cost of living?**

Yes. I think it is possible as long as production is great enough.

**Would you explain that a little more?**

Increases in productivity and efficiency, the increase in technology, (Continued on page 88)



**WHERE JOBS COME FROM**

The claim that improved technology causes unemployment loses much of its steam in face of the fact that American business has created close to 9,000,000 new jobs since World War II.

The jobs cover all industries except agriculture. Government jobs also are excluded. During the same period, the number of persons of working age also increased by about 9,000,000.

These events took place during an era of expanded technology the like of which the world has never seen. New machines, new production methods, new sales and management skills exploded all over the industrial landscape. The biggest boost in jobs came in the retail trades, in manufacturing, construction and the service industries.





PHOTOS BY JOSE LARA-PIX

*Bulk of U. S. spending is going into construction of four air bases such as this at Torrejón, near Madrid*

# what **SPAIN** does with U.S. dollars

**Our newest international ally is getting \$500,000,000**

**from us. Here is what we are getting from her**

A DELIVERY truck painted fire-engine red and loaded with familiar-shaped bottles caused a king-sized traffic jam on one of Madrid's main shopping streets one recent morning. A sign on the truck read: "Coca-Cola de España." The bottles contained our own American coke.

The white-coated drivers stopped in front of the sidewalk cafe where an American was having a Spanish breakfast of hard rolls and black, bitter coffee. He aimed his camera.

Immediately a crowd gathered. A stocky, gray-bearded character driving a covered oxcart pulled abreast of the truck, trying to mug his way into the picture. The cart blocked a number of taxicabs. Within a twinkling the whole boulevard was snarled.

When the American returned to his table, he pointed

to the truck and ordered: "Coca-Cola de España." Up to that point, he and his waiter had not been on speaking terms, each being profoundly ignorant of the other's language. Now the waiter understood.

"Ah! Ah!" he said, "Coke."

This episode pointed up the new impact of American business upon Spain, our newest international ally. In Barcelona, Madrid, and a dozen other Spanish cities familiar American signs appear—General Electric, Firestone, Westinghouse, General Tire, Esso, Caltex, Socony Vacuum, Armstrong Cork S. A., and Spanish-American names such as Sociedad Española de Construcción Babcock and Wilcox (makers of medium tractors and six-ton trucks). American businessmen are paged in the leading hotels, especially at the Castellana-Hilton and Palace in Madrid. American ma-





**Spain needs the attention and long-term investment of American businesses in addition to direct U. S. economic aid. Among the firms now doing business in Spain is Pennsalt International Corporation, of which Melvin S. Lord, (above) is representative**

chinery is at work the length and breadth of the Spanish peninsula.

These firms, men and machines are working with the Spaniards in carrying out the Spanish-American agreement of Sept. 26, 1953. Under this pact, Spain and the United States join in the defense of western Europe against communist aggression. The military aid program, due to be completed in 1957, calls for construction of four air bases for jet planes, and a new fueling point and air facility for the U. S. Navy. Total provided for the current program is \$261,000,000.

These installations will be fueled by a 485-mile pipeline, snaking through Spain from the naval base at East Rotan, near Cadiz, to the four air bases—at Saragossa and Torrejon near Madrid, and San Pablo and Morón de la Frontera, both near Seville.

In addition, the United States is extending \$170,000,000 in economic assistance, mostly governmental but some of it in private long-term credit repayable in Spanish currency. This is going for a variety of Spanish-American undertakings, ranging from rain making to steel making. The bulk of the money will strengthen Spain's power, transportation and agriculture.

Announcement of this program sent hundreds of Americans hurrying to Madrid with visions of landing construction contracts or of selling the materials and machinery that would be needed. The Madrileños jocularly refer to this influx as "the opening of the Spanish strip." They estimate that at the peak in late 1953 and early 1954 at least 1,000 Americans entered the country each month.

Most made sound business proposals. A few tried to sell unrealistic propositions. For instance, one salesman tried to persuade the Spanish government to use part of American economic aid for popcorn vending machines.

Spanish officials explained that they could not divert dollars for nonessentials; that every dollar of aid money was urgently needed for essential items to rehabilitate the country's threadbare economy.

"There's no doubt that many of our businessmen who came here at first were uninformed, misinformed or poorly briefed," says John J. Ingersoll, assistant commercial attaché at the American Embassy in Madrid. He and other officials made the point that many of the obstacles they faced were the outgrowth of historic events that had engulfed Spain for nearly two decades.

The Spanish saga falls into three parts:

#### 1936-1939

CIVIL war killed 1,000,000 and left the economy in shambles.

"Haven't these wounds begun to heal?" Max H. Klein, patriarch of the American business community in Spain, was asked.

"How long did it take to heal the wounds after Appomattox?" he countered. Then he waved his hand at the massive office building at Paseo de Gracia 95, where his suite is located.

"The owner of this building was picked up by a strongarm squad in the course of the war and told he was going to be shot. His wife clung to him, insisting





**Doing business** in Spain presents Americans with many unfamiliar problems which frequently can be eased by employment of some Spanish nationals. Sr. Sainz de Vicuna, for example, shown here in old Madrid's Calle del Rollo, is director of Coca-Cola in Spain

that she go along. They obliged her. Both were liquidated.

"How long will it take for the wounds of their family and friends to heal?" Mr. Klein asked, adding: "Such wounds are healed only by time—and by death!"

#### 1939-1945

DURING World War II Spain remained neutral. War shortages made it impossible to obtain steel and machinery for rehabilitation. It is true that some Spanish interests reaped fat profits under preclusive buying when the Allies bought up all available stocks of wolfram, mercury, tungsten, and other strategic items to keep them out of German hands. But the dollars thus derived were but a drop compared to Spanish needs. In the main, she scrimped along on an olive oil economy.

During the war years and later, droughts ruined crops and cut down hydroelectric generating capacity to the point that, in some industrial areas, power was completely cut off six days a week, except for a glimmering of light at night. Droughts are such a menace that the Spanish Ministry of Agriculture has concluded a five-year rain-making contract with the Water Resources Development Corporation of Denver, in conjunction with Airfleets, Inc., and the Atlas Corporation.

As Spain's chief rain-maker, Larry Truitt, a Navy-trained meteorologist, concentrates on six target areas, the main one being the Alberche River west of Madrid.

This group gives 24-hour weather reporting service from Barajas, Madrid's airport. Scattered out in this watershed are 59 silver-iodine burners manned by

Spaniards. When a rainstorm is brewing, these men seed the clouds by lighting the burners. It is estimated that stream flow was increased 74 per cent during the first two years of the contract.

#### 1945-September, 1953

SPAIN was excluded from Marshall Plan aid. Being denied admission to the United Nations was not only a blow to her pride but underscored how effectively she had been removed from the flow of world events. France, where so many Spanish loyalists fled, turned her back. The British press was scathing. Organized labor in almost every land denounced the Spanish system with its rigid law against strikes. Religion entered the picture. American Protestants charged that their missionaries were not permitted to operate freely.

During these years Spain tried to lift herself by her bootstraps. Rigid controls were put into effect in every phase of her economy. By hoarding the dollars she earned in exporting olives, olive oil, wolfram, mercury and other items, Spain was able to buy necessities like raw cotton, petroleum, machinery, coal, automobiles and the like. The American salesman who wanted an import license for nylons and other nonessentials found himself out of luck.

"We might as well have been selling mink coats in the poorhouse," one of them lamented.

Americans who wanted to set up corporations found that the law permitted only 25 per cent foreign investment. Other laws and regulations made it difficult to convert their Spanish earnings into dollars. Under the 1953 agreement, (Continued on page 70)

# TREND TO SINGLE HOUSES EXPANDS BOOM

Here are the reasons why no end is in sight



▲  
**More homeown-  
ing older people**

▲  
**Houses and yards  
for big baby crop**

▲  
**Cost favors own-  
ing over renting**

▲  
**Tax savings on  
interest payment**

ACCORDING to government statisticians, American families live in some 50,000,000 dwelling units, and builders are putting up another 100,000 or so a month. But, as one bus rider recently remarked over his morning paper, "Who cares how many dwelling units they build? What I want is a house!"

The fact is that today, for most Americans, only a house is a home. Families are demonstrating their desire for detached living in such numbers that even the experts have been left behind in their thinking.

Thereby hangs a chain of consequences which promises the greatest social and economic changes of this century.

The current housing boom isn't the only one in our history. During the 1920's there was another, but it resembled this one only in numbers. In that cynical era after World War I, in spite of troubadours who sang fondly of small cottages by waterfalls, home life was at a discount. The American family had just discovered the automobile, and a dwelling unit was a perfectly good place to live because people weren't going to be home much anyway.

This fact is well enough known to any survivor of the period, but it also shows up in the cold statistics. During the peak building years of the 1920's, barely half of the residential units built were single-family houses. Some of the rest were two-family affairs, but most were apartments.

Contrast that with 1955, when nine out of every ten new units being built are single-family detached houses. The two-family house is almost nonexistent in new developments, and it is hardly an exaggeration to say that the bottom has dropped out of apartment building.

As a result, many changes are taking place in our

lives. Auto makers envision a second car in every garage; asphalt tile sellers see a vast array of basement floors. Barbecue pits dot the landscape; bus lines wonder how to extend their routes farther and farther. Communists are unhappy; but crabgrass never had it so good. Dishwashers are sold on 30-year mortgages; daylight saving time spreads. And so on through an alphabetical legion all the way to zoning boards (trying to find room for all the houses) and zoologists (trying to make a better mole trap).

More about the consequences in a moment. But first: How come? Why has the house become the desirable dwelling unit, and home ownership the fashion?

Ask almost anyone this question, and he'll point to general prosperity and relatively easy housing credit as the basic reason. The trouble is that these financial factors explain the how of home buying, but not the why. Money isn't everything. In the 1920's, when prosperity also was rampant, and credit was easy, houses were far less popular than they are today.

Why does the 1955 family spend its money on a house, instead of buying other things?

Part of the answer lies in the fact that our population, paradoxically, is growing faster at both ends of the age scale.

It is a fact, well attested by the Federal Reserve Board, that home ownership is most prevalent among older people. In a 1953 survey, the Board found that more than two thirds of the families headed by persons in the over-65 age bracket owned their homes; the proportion became progressively smaller for each of the younger groups.

During this century the pumber of oldsters has increased far faster than any other age group, notwith-



▲  
**Revived interest  
 in fun at home**

▲  
**Owner finds home  
 maintenance easy**

▲  
**Short work week  
 adds to leisure**

▲  
**GI loans ease  
 veterans' buying**

standing the much-publicized baby boom of the 1940's and 1950's. This is not, as often supposed, because we have conquered old age but because medical improvements have helped to insure that more people survive childhood and middle years and live to grow old.

Not only are the numbers in the home-owning over-65 group increasing, but the spread of pension plans and social security provides a degree of financial independence which has helped them to become and remain home owners. Obviously, the rapid increase in the number of oldsters, with their tendency toward home ownership, has been a big factor in the current trend.

At the other end of the age scale, the baby boom has exerted a different but even more powerful influence in the same direction. Cynics often remark that babies don't buy houses. Quite so; but their parents do, often on account of the baby—or more likely, babies.

In the past decade or so, record numbers of children have been born, reversing a declining birth trend which the experts a few years ago expected to halt our population growth along about now. Not only that, but parents have shown their confidence in the future by increasing the average number of children per family.

The goal of the typical American parent is to bring up his children with a house and yard. The greater the number of families with children, the greater the demand for houses. On top of that, the pressure is increased as the number of children in the family goes up, and also as those children grow older.

It may be reasonably painless for a young couple to live in a one-bedroom flat with a young baby for a few months; but as the baby grows older, and as more come along, larger quarters are necessary. When it comes time to move, the choice is between a larger apartment

or a house. In a growing number of cases, financial institutions willing, the house wins out.

Important as they are, age factors are only a partial explanation of the home-buying boom. Among other prime reasons is the relatively favorable cost comparison between buying and renting.

A Department of Labor survey shows that in most large cities, the out-of-pocket monthly cost of owning new property is a little lower than renting. That isn't the whole story, of course. The survey may have given a small edge to home ownership by ignoring certain costs involved in moving into a new house. On the other hand, it overlooked the fact that the typical home buyer is investing a sizable proportion of his mortgage payments for himself in the form of increased equity in his house.

Of course, few people have decided to buy a house on the basis of a technical article in a government publication. Many probably just compare monthly rent with monthly mortgage payments, ignoring other substantial costs of home ownership; it's a rare home-buyer who doesn't find that ownership costs more than he thought it would. Nevertheless, people act as they think. Although owning may not be as much cheaper as they lead themselves to believe, at least the government surveys show that they aren't completely wrong.

The income tax is one of the new forces at work in the owning vs. renting debate. When income taxes were low, they had little effect; but today's high rates give a substantial advantage to the home owner who can deduct interest payments on his first mortgage and his second mortgage and the insurance loan he took out to meet the down payment. A typical taxpayer may find that, after deductions, his five per cent mortgage really



## TREND TO SINGLE HOUSES

*continued*

costs him three and a half or four per cent, with Uncle Sam footing the difference.

Beyond these cash considerations are some purely social aspects of home buying. One is the rebirth of home entertainment, which had become seriously undermined during the period when the automobile was ceasing to be new-fangled. While there probably isn't any one scientific reason for the change, it wouldn't be too surprising if the neighborhood beer-and-television party of the late 1940's had something to do with it. In any case, home entertainment is done at home, and such entertainment assets as the recreation room and the barbecue pit are native to the single-family house.

The automobile itself, having once threatened home life, is now one of the greatest allies of the one-family house. Houses must of necessity stick mostly to the suburbs, and suburbs would be untenable without cars. This is especially true of houses being built today, which must go ever farther from the city centers to find standing room.

Not to be overlooked in this rush to the houses is the do-it-yourself movement. The modern pioneers of suburbia undertake projects that their parents and grandparents didn't—or wouldn't—dream of. The typical businessman of a generation ago was lucky if he could plug in a lamp cord without blowing a fuse. His son today tiles floors, insulates attics, puts together back yard swimming pools and holds down his regular job. He doesn't feel sorry for himself, either; he likes to survey his masterworks with the warm glow of solid accomplishment.

A house—owner-occupied, single-family, and the more detached the better—is the ideal spot for do-it-yourself projects. The man who doesn't own one is likely to become infected by the highly contagious do-it-yourself virus as he hears his friends marveling over their own accomplishments. Thus another pressure toward home buying arises.

Back of all this is the shorter workweek, perhaps the most important of all the factors. The temptation to use the customary phrase, leisure time, is avoided here because the typical American works pretty hard in his off hours, even when he plays. The five-day week puts a premium on a pleasant place to spend the time off, and an opportunity to do things. The fact that the commuter has to commute only ten times a week, instead of 12, makes him less averse to living long distances from work.

Finally, as a unique factor in the demand for houses, we have the G. I. Bill of Rights. Perhaps as a reaction

to having been jerked from their homes at a tender age, veterans display a strong desire to get married and settle down. Their eligibility for G. I. loans makes them prime candidates for home ownership. The release of more than 3,500,000 Korea veterans to civilian life in the past few years has provided a substantial boost to the G. I. market, with the result that G. I. loans in early 1955 accounted for nearly a third of all home mortgages, the highest proportion in history.

These are some of the reasons why people are buying houses. There may be as many others as there are home buyers.

The trend may not go on forever. Vacancies in rental units may make rents more attractive; people may get tired of commuting and cutting grass; credit may become scarce. All sorts of things could happen. The fact remains that none of these things seems to be happening yet. The single-family, owner-occupied house is enjoying greater popularity than it has seen in a long time.

This trend toward home ownership is not without its problems. Many of these stem from the fact that the house is a great consumer of land, so that suburbs are spreading ever farther from city centers. One immediate effect has been a contribution to the decay of downtown areas. Another has been to impose a troublesome situation on mass transit companies which find it difficult to give adequate service, at a profit, to sprawling areas of long lines and low traffic density.

Builders themselves have called attention to the fact that suburban housing developments tend to outstrip facilities. It takes considerably more telephone and electric wire, gas and water pipe, streets and sewers to serve a suburb of houses than to serve an equivalent number of apartment units. Costs are obviously higher as density becomes less.

An influx of new houses in a previously rural area imposes an immediate demand for schools and other government services. Tax collections may eventually be adequate for such services in a going community, but it is often hard to get started.

As people move out of city centers, surplus services and facilities may be left behind, while tax bases are deteriorated.

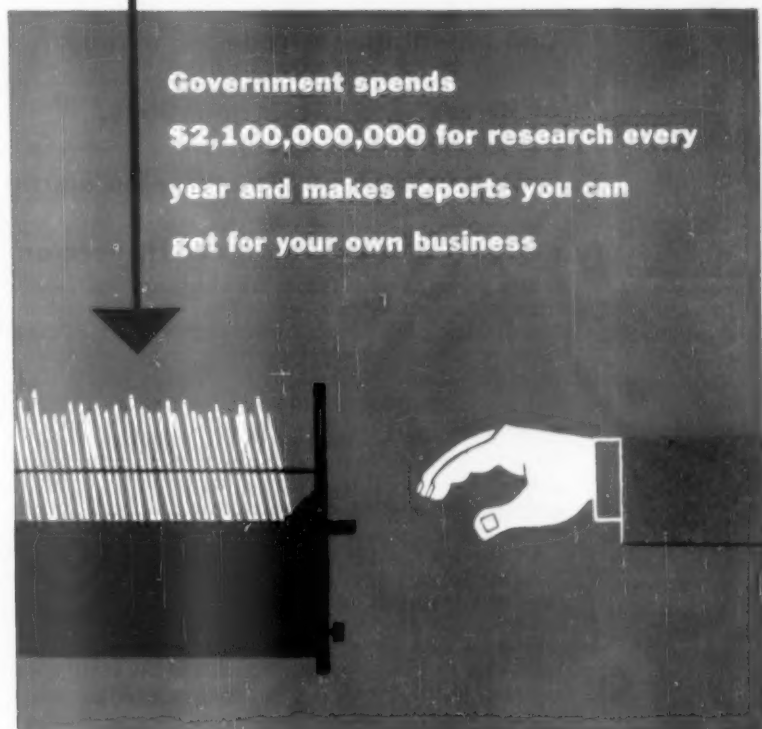
Most of these excess inventories are fastened down; they can't be moved with the people. Thus some cities, for example, have idle schoolrooms downtown while suburban schools are operating on shifts.

In spite of these and many other colossal headaches, most observers agree that the trend toward home ownership is good. For many businesses it represents an enormous new potential market. Just building the new housing is a tremendous boost to construction, already the nation's largest productive industry, and to all the people and companies who provide goods and services to construction. With more families having a personal stake in their homes and with more homes in existence, the fix-up market is only beginning its growth. Beyond these construction fields lie the markets for home furnishings, appliances, services and just plain gadgets.

Even more important than dollars-and-cents economics, however, are the social consequences of this return to the home. The instinct for home ownership has usually been strong in this country. When it was weakened in the 1920's, we came upon bad times. While the point is difficult to prove with scientific accuracy, it would seem that rising home ownership should produce more stability, more responsibility, less adult and juvenile delinquency, and a generally better world.

END

# 250,000 ideas ready for use



**Government spends  
\$2,100,000,000 for research every  
year and makes reports you can  
get for your own business**

**BUSINESSMEN** and research engineers are developing better products and new processes through the use of technical information the government is releasing daily to private industry.

They are cashing in on some of the \$2,100,000,000 the government spends annually for research, two thirds of it contracted out to some of the 4,350 private research laboratories. The \$2,100,000,000 represents about half of the country's total research expenditures.

Hundreds of new research reports —on subjects ranging from "The Role of Starch in Bread Staling" to "Volumetric Determination of Nitrocellulose and Nitroguanidine by Transnitration of Salicylic Acid"—are added monthly to the storehouse of more than 250,000 reports which has been building up since 1950.

That was when Congress set up the Office of Technical Services in the Department of Commerce to serve as a clearinghouse for the collection and dissemination of scientific, technical and engineering information to business, industry, state and local governments, other federal agencies, and the general public.

OTS makes available to anyone unclassified and declassified research reports gathered from the Atomic Energy Commission, Air Force, Army, Naval Research Laboratory, Army Chemical Corps, Corps of Engineers, National Advisory Committee for Aeronautics, and other agencies.

The use some companies are making of government research information is indicated in some of the results being reported to OTS. For example, some private firms have ad-

vised OTS that, with the help obtained from the research reports, they have been able to:

Design a magnesium part that cuts the weight in half.

Develop a high frequency oscillator.

Develop a better spray coating for exteriors using information from a report on the use of polyester resin catalyzed with cobalt naphthalenate and peroxide.

Develop resistance thermometer elements from reports on ceramics, on ceramic protective coatings on metals, on high temperature metallurgy, and on temperature measurement techniques.

Develop new electronic amplifiers from reports on electronic circuits design and miniaturization.

Improve the joining of metals.

Develop better ceramics and coatings on electrode rods.

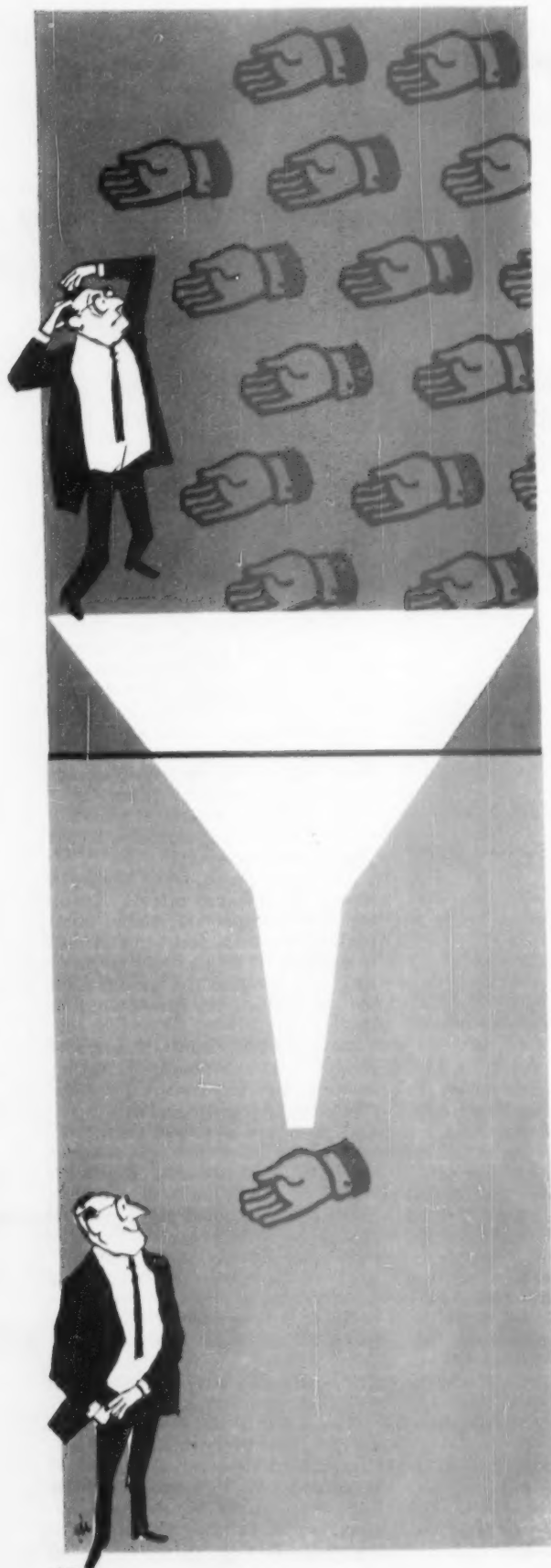
OTS gets about 4,000 requests a month for research reports. Among the most popular are studies on titanium, the new, tough metal used in aircraft. OTS has 42 reports on titanium covering the special problems met in machining and handling the metal.

Cartography, fuels and lubricants, chemicals, foods, textiles, leather, lumber, medical research, rubber, structural engineering, photography, and personnel aptitude testing are among the other subjects covered.

The 250,000 research reports are stored at the Library of Congress and may be studied there without charge. Many thousands of the more significant reports having wide application have been duplicated and are available at cost from the Office of Technical Services, U. S. Department of Commerce, Washington 25, D. C. Typical prices are \$1 and \$1.25, although some are as low as 25 cents and others as high as \$7.75.

About 400 of the printed reports are described every month in "U. S. Government Research Reports." It is available at \$6 a year from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.

END



# NEW UNITED FUND CUTS CHARITY DRIVES

**Combined appeal reduces number  
of drives, increases donations,  
reduces strain on workers—but some  
national charity groups call it coercion**

THE AMERICAN people last year donated \$5,400,000,000 to philanthropic causes according to a recent computation by Dr. F. Emerson Andrews of the Russell Sage Foundation, an authority on the U. S. standard of giving.

Of this sum, imposing enough even though a little less than we spend on tobacco every year, about 50 per cent went to church activities; 15 per cent to health and welfare (other than Red Cross); nine per cent to higher education; four per cent to foundations; three per cent to charity rackets; two per cent each to the Red Cross and the United Jewish Appeal; one per cent to foreign relief (such as CARE shipments) and the remainder to a miscellaneous group ranging from art and historical museums and libraries to the fresh air camps and similar projects of such fraternal orders as the Elks, Masons, Odd Fellows, and service clubs such as Rotary.

None of these programs can go ahead without some discord, even if minor. But a major controversy is blaring around a comparatively new idea in money raising, the United Fund. Born six years ago, its basic purposes are, 1, to supplant many separate campaigns by a single effort to avoid duplication and waste of time, skill, energy, money; 2, to prevent the sheer multiplicity of appeals (2,000 in one year in Los Angeles alone) from irking and confusing donors lest the wellsprings of benevolence dry up; 3, to ease the often intolerable strains upon community leaders and other volunteer workers many of whom have felt conscience-bound to be active in anywhere from two or three to a dozen or even more drives a year. Central to the United Fund concept is adequate support for all health and welfare services instead of a feast for some and famine for others.

In pursuit of such aims the United Fund seeks to combine appeals for national charities such as the Big Six (polio, Red Cross, heart, cancer, crippled children,

tuberculosis) with the campaign of a local community to meet its indigenous health and welfare needs.

However, the Big Six and other national charities have been opposing the United Fund approach with varying degrees of intensity. They compromise with it only when its local supporters have proved too strong to be bucked.

Most of the nationals prefer to go it alone. They think they can raise more money that way and, in the process, educate a wider public about the perils they are trying to combat. They affirm that, contrary to United Fund contentions, givers have to be prodded often because the level of U. S. generosity is not high enough (an average of 1.8 cents out of each income dollar.)

The record, in their view, is more impressive as a total figure than as an expression of what the most opulent nation in history can do in the light of such facts as these: 16 out of every 100 Americans are destined to die of cancer, if prevailing rates continue; heart diseases take an annual toll of 817,000 deaths, most of them premature, that is under age 65; 7,000,000 people suffer from arthritic and rheumatic ailments that, to greater or lesser degree, impair productive power, and another 1,000,000 from muscular dystrophy.

The social and economic costs of these and other maladies (argue the nationals) are staggering and in the long run are paid out of everybody's pocket. Until cure or prevention is discovered the seriousness of such ailments is obscured when they are placed in an omnibus appeal on a par with, say, the Campfire Girls, admirable as that may be in its own manner.

Moreover, the argument continues, the nationals can enlist plenty of volunteer workers at high, medium and lower echelons for their independent campaigns. A survey on this subject has disclosed that only 25 per cent of potential organizers and canvassers have been tapped and that a third of the remaining 75 per cent have indicated their willingness to help out.

When a national organization does join up with the United Fund, it negotiates in advance for its fair share of the total take from a single federated drive. Nevertheless, the national alignment fears that the United Fund, in its role as exchequer, will soon or late be tempted to encroach upon policy. The Big Six in particular further assert that giving is a warm, personal affair in which the individual should be free to choose the objects of his benefactions rather than being regimented into the one-shot action implied by the slogan, "Give once for all," used by some united funds.

The two schools of thought, the United Fund vs. the nationals, first collided in 1949 in the course of Detroit's famous Torch Drive, a turning point in U. S. philanthropy. In that city various managements had long deplored the disruption and economic loss involved in the pleas of many charitable bodies to make in-plant collections by means both of rallies and personal contact with employees. A leading automobile company figured that every such solicitation cost it an average of \$40,000. Since, in 1947-48, requests for just such requisitions reached a high of 134, simple arithmetic showed need for a change. Similarly, workers along the assembly line objected to repeated interruptions on the job, more especially since the same agency often tin-cupped them or their wives at home.

To remedy this, management and union principals in Detroit's motor industry sparked development of a United Foundation. It was designed both to help finance the statewide United Health and Welfare Fund of Michigan and to enable national charities to participate in the same all-out drive in Detroit's industrial

establishments. No other plant solicitations were to be allowed.

The nationals rejected this formula. When the American Cancer Society refused to cooperate, \$140,000 out of the \$750,000 obtained was sent to the Michigan Cancer Foundation on the ground that one aim of the United Foundation was to assist cancer research and treatment under all legitimate qualified auspices. In the same way, when the National Foundation for Infantile Paralysis (March of Dimes) not only stayed out but also denounced as "coercion" the United Foundation's invitation to join up, \$30,000 was sent to Sister Kenny.

After this test run in February and March, 1949, the United Foundation linked forces that fall with Detroit's Community Chest and its some 150 local beneficiaries in a spectacular campaign. A testament to the American genius for organization, this drive mobilized voluntary talent from almost every occupation. Banks, company comptrollers, and legal counsel worked out schedules for corporations and individuals showing how to give both to accord with earnings and to attain maximum income tax deductions. Advertising agencies turned out posters, leaflets, booklets. Industrial relations executives and union officials fashioned payroll deduction plans. Sales and marketing experts coached solicitation teams. Newspapers, radio and TV stations sought for a saturation publicity that would arouse the widest awareness without the boomerang reactions that result from fanfare.

The "Torch" symbol was used not only to denote light in dark places but also the donor's freedom of choice—he was told that he could earmark his gift to any particular cause. He was also told that he could, without fuss, cancel his pledge if he found that he couldn't carry it out.

The response to this campaign was tremendous. Instead of a previous high of 4,000 volunteer workers, there were 60,000. Instead of a previous high of 600,000 contributors, there were 1,250,000, an extraordinary total out of a population of 2,600,000.

The 1949 goal of \$8,550,000 was oversubscribed by \$710,000.

More recently the annual Torch Drive has been bringing in around \$13,600,000 with overhead held to record lows of from 4.5 to 4.9 per cent.

The persuasive powers of Charles E. Wilson, then head of General Motors, Henry Ford II, and an array of other Detroit notables were required to get national charities to come in, even on a modified basis (local chapters had been warned that they would be expelled for doing so). The Red Cross, for instance, kept the right to retain its own identity on pledge cards and to conduct supplementary campaigns outside of the 648 plants and government offices (federal, state, municipal), the nuclei of the Torch Drive. Similar concessions were made to such other nationals as heart and cancer in exchange for their collaboration. The March of Dimes alone among the Big Six remained aloof.

The startling success of the Torch Drive underscored what could be done when voluntarily assumed social responsibility is cross-bred with business efficiency. Despite adverse comments to the effect that the Torch Drive record owes more to promotional gimmicks than to public grasp of the issues at stake, Detroit from 1949 forward became mecca and model for many other communities seeking guidance on giving. Meantime, the designation "United Fund" became colloquial short-hand all over the country for describing the Detroit method. Technically, for statistical purposes

(Continued on page 80)

# HIGHWAY RADAR IS WATCHING YOU



**Although every state is now using electronic equipment to spot speeders, the question of propriety is unsettled. The arguments go like this:**



PHOTOS BY ARNOLD EAGLE—PFI

RADAR, the nation's newest weapon in the fight against highway fatalities, will be used in full force Labor Day week end when 64,000,000 Americans take to the roads.

One out of every four holiday motorists will be clocked by radar and 650,000 of them will be caught for speeding by the new electronic traffic cop over the three-day period.

Police across the country will be poised on main highways and on the outskirts of major cities with more than 1,000 Electro-Matic Speed Meters in an all-out effort to save some of the 400 persons officials estimate will be killed in the course of the holiday.

Radar has mushroomed so fast since its inception in 1948 that today all 48 states use it for testing or enforcement.

A recent survey by NATION'S BUSINESS to determine the present status of the device revealed that police officials agree almost unanimously that radar is the most promising answer yet found to the mounting death and accident toll.

Fifty-eight state and city police departments were questioned on the use and effectiveness of radar for speed control. Of these, 42, or 72.4 per cent, replied. Their answers show that:

1. Radar is sprouting up along the nation's highways at a rate of more than 50 new sets per month.



Since December, 1954, sets in use by police and highway departments to curb speeding and to study traffic speeds have increased from 568 to 1,095—an increase of 92 per cent.

**2.** Radar already accounts for more than 20 per cent of the nation's speeding arrests. State police report it is used for 80 per cent of the speeding arrests in New Mexico; 78 per cent in Wisconsin; and 70 per cent in Mississippi.

**3.** In all but one reporting state traffic fatalities have dropped since the introduction of radar. From 1953 to 1954 the drop was from 103 to 80 in Delaware; 343 to 328 in Nebraska; 1,118 to 991 in North Carolina; 849 to 749 in Tennessee; and in Mississippi the totals from 1952 to 1954 were 506, 461, and 441.

**4.** Radar arrests have a 90 to 100 per cent conviction rate compared to a 60 to 70 per cent rate with older ways of catching speeders.

**5.** Radar's psychological effect on the public produces a general slowing down of traffic wherever it is used. San Diego officials, for example, report that radar has caused the average driver there to reduce his speed by eight miles an hour.

**6.** The sets have the overwhelming approval of the public. This approval is best gained, officials say, by a careful educational period before radar is used for arrests. Surprisingly, even those caught by it look on the new device without too much rancor. In a recent opinion test in California, only four out of 75 stopped for speeding by the highway patrol reacted unfavorably to the radar speed meter and none of the four denied he was speeding.

**7.** Radar has the effect of adding more men (several state police chiefs said one-third more) to highway patrols. Police point out that two men operating a radar set can stop as many as ten times the number of speeders each could stop separately if using police cars.

**8.** Radar cuts the need for the motorcycle patrolman and the dangerous chase by car. In New York City, for example, Police Commissioner Francis W. H. Adams cut his motorcycle corps from 465 to 150 after introducing radar patrols in June.

**9.** Radar will save the taxpayers money through reduced police manpower requirements, reduced

expenditures on police car maintenance and repair, lower court costs due to the high percentage of uncontested cases involving radar, fewer and less costly accidents.

One of the most interesting returns in the survey, a report from the Wyoming Highway Department, describes a unique before and after radar traffic test made on an accident-prone section of U. S. Route 30 between Cheyenne and Laramie. In the spring of 1954, after Wyoming experienced its worst accident year in history, radar was brought in on this special test section to measure the device's effectiveness. Planning Engineer Warren A. Gallup summarized the results:

Before the test started a check showed an average of 28.3 per cent of both east and westbound drivers were speeding. After radar warning signs were erected along the route and the arrival of radar was publicized in local newspapers, a second check showed a drop to an average of 22.1 per cent of both lanes speeding. The final step was to call in the state patrol to make arrests, after which speed violations dropped to an average of 11.3 per cent.

The results of the five-month test



were so gratifying, Mr. Gallup reports, that it was continued until the end of 1954.

There were three fatalities on the test strip in 1954 compared to 12 in 1953. On the basis of the test, Mr. Gallup recommended making radar an integral part of the state's enforcement program and expanding its use as rapidly as possible.

The State of Washington, waging an all-out campaign against speeding, known as the Governor's Traffic War, also found radar to be its most potent weapon. State Patrol Chief James A. Pryde has 20 sets in operation. In the 1953-54 period, statewide fatal accidents were cut from 483 to 412 and total accidents from 68,540 to 65,858.

In the National Capital area, Maryland and Virginia State Police and the United States Park Police all plan to expand radar operations this fall. Park Police Lieut. Jack B. Hobbs sees the virtual disappearance of speeding long before radar coverage is complete.

More than 300 cities and towns throughout the country employ radar for speed law enforcement. In Ohio, where 50 cities as well as state police are radar-equipped, Cleveland leads with 25 sets. In nearby Youngstown, Traffic Engineer Ralph S. La Civita reported that, in radar's

first year, traffic deaths dropped from 24 to six.

Chicago Traffic Chief Michael Ahern gives the four radar sets bought this year credit for materially reducing his manpower requirements. Where "Radar Patrolled" signs are posted, general speeds have appreciably decreased, Mr. Ahern said. St. Louis Chief of Police Jeremiah O'Connell reports 53 per cent of speeding arrests in his city are by radar. In Salem, Ore., accidents were reduced 19 per cent during the first year of radar and fatal accidents dropped from seven to two, according to Police Chief Clyde A. Warren.

Among the nation's most heavily traveled superhighways, the New Jersey Turnpike has the highest reduction in mortality rate. The death rate has been cut 50 per cent since the introduction of radar, according to Turnpike authorities.

With the use of radar so widespread and hailed by police as a valuable tool in speed law enforcement, it might be assumed that the driving public is well acquainted with its operation.

This is not the case. Most drivers still have only the vaguest idea of what it is, police say. Misconceptions range from one man's opinion that radar is a mysterious apparatus hidden in tree tops taking movies of passing cars to a guess that it is some-

thing in the sky with wires attached to it.

Texas patrolmen are still talking about two farmers who were stopped by radar more than a year ago. One wanted to know how the radar set knew he did not have a driver's permit. The other indignantly told the officers he had been driving through radar beams for several days and was so "shot full of electronics" he could hardly straighten up. Equally confused was a woman driver who told police that as she passed a "Speed Checked By Radar" sign her car automatically slowed from 65 to 50 and "wouldn't go a bit faster."

Radar actually does only one thing: It determines instantly how fast a given car is moving.

Each set has three parts: 1, a radio transmitter and receiver, 2, a speed indicator, 3, a graphic recorder. The complete set weighs 77½ pounds. Most police departments place the transmitter-receiver—in a metal case about the size of a hat box—on a tripod on the edge of the highway. It can also be installed in the trunk of a cruiser or on the tail gate of a station wagon.

The speed indicator, which looks like an automobile speedometer, and the graphic recorder, consisting of an inked needle passing over a roll of graph paper, are placed in brackets on the dashboard of a cruiser. Cables connect these two instruments to the transmitter-receiver. Electric power for the unit is supplied by the cruiser's battery. A simple on-off switch is the only control necessary.

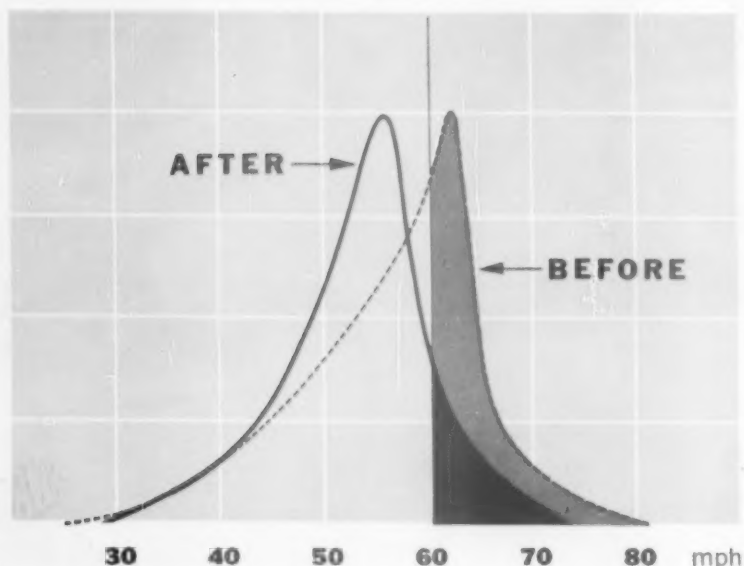
Radar sets operate on a principle analogous to that which makes the sound of a voice striking the wall of a cliff return as an echo. The transmitter sends out high-frequency radio waves from an antenna. When the waves strike an object, some of them are reflected back to the receiver. If the object is not moving, the frequency of the transmitted and received signals will be the same. If, however, the object is moving toward or away from the radar set, the frequency of the return wave will vary according to the speed of the object. The faster the object is moving the greater the frequency difference.

A police radar transmitter sends out microwaves 100 to 200 feet down the highway at a frequency of 2,455 megacycles, traveling at the speed of light. When a car enters the arc, the rays bounce back to the receiver at a different frequency. The difference between transmitted and received waves is converted to miles per hour on the speed indicator and on the graphic recorder in the police cruiser.

(Continued on page 95)

## RADAR DECREASES SPEEDING

*In Wyoming, before radar, radar warnings or publicity, a test showed more motorists clocked between 60 and 65 miles per hour than any other speed, with many (gray area, below) over the 60 miles per hour limit. After radar, signs and publicity, the number of violators (black area) decreased; most drivers were clocked between 50 and 55*



*Intersections, especially those having five corners as at right, are big challenge to talents of the traffic engineers. Experience indicates that drivers are too frequently blamed for accidents caused by hidden road hazards*



GEORGE LOHN

# Engineers' traffic tricks **SAVE LIVES**

**Here are some of the techniques which traffic engineers are employing in their fight to make our roads and streets safe**

BUSY Saginaw Street in downtown Flint, Mich., had become a death trap, and no one knew why. Day after day, just as dusk fell and crowds were leaving stores and hurrying to movies, automobiles smashed into each other trying to avoid pedestrians.

The street was 66 feet wide, illuminated by modern equipment and in good condition. City officials were baffled. They improved the lighting still more and cracked down on drivers, but the wrecks continued. After 45 cars had cracked up (one death, \$12,565 in damages), they turned to traffic engineers trained to ferret out hidden danger spots.

Engineer Henry A. Barnes found that the bright neon lights of Saginaw Street's shop windows were blending with the street's red brick paving and setting up a blind spot in the center of the roadway. The dark spot shadowed pedestrians who wore dark clothing.

Mr. Barnes had two large white islands painted on the center of the street. Then he sprinkled on white silica sand while the paint was wet and hung a bright light directly above. The blind spot lit up and the crashes stopped.

The engineer had proved a point that is becoming increasingly obvious today: Drivers are often being blamed for accidents that are really caused by our highways, streets and traffic control systems. He also proved that something can be done about presumably unsolvable accident traps. In one group of projects that traffic engineers worked on, fatal accidents were cut two thirds.

The traffic engineering concept is so new it is being taught full time only at Yale and the University of California. Nevertheless, the 1,000 members of the Institute of Traffic Engineers, at New Haven, Conn., already can point to an impressive record: thousands of lives and dol-

lars saved after hidden hazards were engineered out of city and rural roads.

Your city can take advantage of the relatively new science of traffic engineering. The Institute, which has members in most of the well populated states, will help communities locate consultants in their areas. Auto clubs in some states provide assistance; so does the nonprofit Automotive Safety Foundation in Washington, and the Association of Casualty & Surety Companies in New York. In addition, many of the larger cities now employ full-time traffic engineers whose services can be retained by smaller communities at costs in line with their needs and resources.

An idea of the engineers' effectiveness can be gained from the no-charge pilot program now in effect in 41 cities of New York State under sponsorship of the casualty insur-

*(Continued on page 90)*

# MILITARY SERVICE LAW WORKS THIS WAY



## Compulsory drills and summer encampments facing young men under new U. S. measure to build up reserve forces

AT LEAST five years of active duty and compulsory drilling in the reserves are now required of all men entering military service in the government's new drive to build the ready and trained reserve from 800,000 to 2,900,000 in the next four years. The active armed force is going down from 3,000,000 to 2,800,000.

The Reserve Forces Act lifts the 1,500,000 ceiling on the Ready Reserve, imposes compulsory reserve training with enforcement teeth on those who enter service after President Eisenhower signed the new law on Aug. 10, and opens up a new reserve training program—without active service—for youths. At the same time it reduces the period of military obligation, including reserve time, from eight to six years for those now entering service. The new reserve law and draft both run until 1959.

The President criticized the new law as falling short of what is necessary to achieve a Ready Reserve of 2,900,000 in four years. Congress did not provide for the enlistment of prior-trained men in the National Guard and refused to grant authority to draft men into the reserves if the needs were not met through voluntary enlistments, he pointed out.

President Eisenhower instructed Secretary of Defense Charles E. Wilson to prepare amendments for the next session of Congress to "correct the deficiencies" in the new law.

Of special interest to employers is the law's requirement of weekly drills and 17 days of active duty for training each year, the reserve training program for workers in critical occupations and scientists in defense-related industries, and the reemployment rights of workers completing active duty training.

Options available under the military law are illustrated on the opposite page. The Act provides for:

**Ready Reserve:** An organized, trained and ready military force. The President may call 1,000,000 of these men to active duty for two years after he proclaims an emergency. This force, plus men on active military duty, would be called upon in any brush fire wars. Members of the Ready Reserve must participate each year in 48 drill periods and 17 days of active duty

for training, or in 30 days of active duty for training. Penalty for failure to participate satisfactorily: 45 days of active duty for training; those liable for induction may be inducted.

**Standby Reserve:** Men in this force could be called for active duty only after a declaration of national emergency or war by Congress, and would be called after screening through local draft boards as to availability. Draft boards will weigh needs of military against needs of essential civilian activities. It is an inactive reserve; members do not participate in training.

**Youth Reserve Program:** For youths 17 to 18½. Volunteers for this training can request assignment to existing Reserve units of the military services and avoid active duty altogether. They will become part of the Ready Reserve and will serve until age 28. The Secretary of Defense will set quotas.

**Youth Training Program:** Open to youths 17 to 18½. Total service is limited to eight years, with volunteers becoming part of the Ready Reserve. Three to six months' active duty in Regular military establishments is required, to be followed by 7½ years in the Ready Reserve. Those in high schools when they enlist will be deferred from active duty until graduation, but not beyond age 20. The program is limited to 250,000 a year up to Aug. 1, 1959.

**Skilled Workers and Scientists:** Individuals using critical skills and employed in a critical defense-supporting industry, or in any research activity affecting national defense may enlist. They may be relieved of training duty and put in Standby Reserve, to the extent that military needs permit, but may be returned to Ready Reserve and required to drill if they change to a job which makes them ineligible for this enlistment. Regulations for administering this will be issued by the President.

Lists of "currently essential activities" and "currently critical occupations" are maintained by the Department of Commerce and Department of Labor and are used by the Department of Defense in considering delays requested by reservists called to active duty and by draft boards in considering occupational deferments. Information about the lists may be obtained by writing to J. Dewey Coates, secretary of the Interagency Advisory Committee on Essential Activities and Critical Occupations, U. S. Department of Labor, Washington 25, D. C.

**ROTC Graduates:** All who qualify are now assured commissions. Regulations are being prepared to provide for a fair selection of those called for active duty. Enough may volunteer to make it unnecessary to order any to active duty.

**Men Now in Service:** Benefits of the new law's incentive program are available to men now in service. It's designed to induce them to enlist in the active Ready Reserve to help train the large numbers of youths who will be entering the new reserve program. Otherwise those in service on Aug. 10 have no obligation to participate in reserve training, but they remain in the Ready Reserve and are subject to call to active duty until they've completed eight years of service. This program permits either of two incentives:

Early Release after one year of active duty. Men now in service may enlist in the Ready Reserve and serve until completing four years of combined active duty and Ready Reserve, then go into the Standby Reserve for four more years. Limited to 150,000 a year.

Ready Reserve Enlistment for those completing active duty. They may enlist for one year in Ready Reserve, then go into the Standby Reserve until completing eight years of active duty and reserve service.

# OPPORTUNITIES AND REQUIREMENTS UNDER NEW MILITARY SERVICE LAW

years of service required

## Youths with no service may:

Enlist in regular forces, serve five years in active duty and Ready Reserve status, one year Standby Reserve

Enlist in established reserve forces

Enlist, if 17 to 18½, in Youth Reserve program

Enlist, if 17 to 18½, in Youth Training program. Limit, 250,000 each year

Wait for draft in Army (18½ to 26, or to 35 under certain deferments)

If skilled worker or scientist, enlist

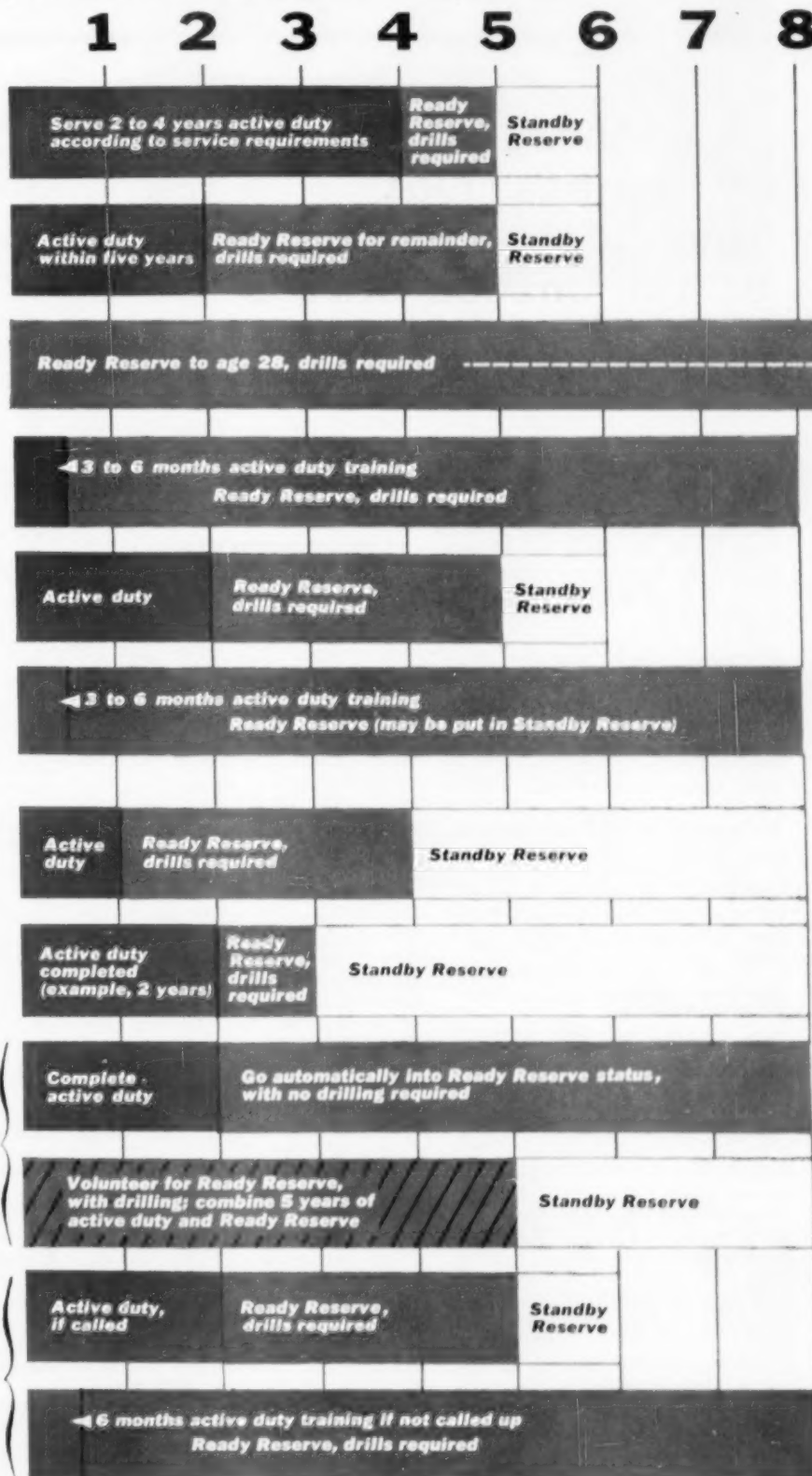
## Men in service on Aug. 10, 1955, may:

Obtain early release after one year of active duty by volunteering for Ready Reserve

Cut down Ready Reserve service if active duty completed before July 1, 1957

Complete term of active duty then

Finish ROTC course



# HOW'S BUSINESS? today's

## An authoritative report by the staff of The Chamber of Commerce of the United States

### AGRICULTURE

Current large stocks and prospects for big crops will make this a year of near-record supplies of most major farm crops.

Substantial acreage reductions in wheat, cotton, rice and tobacco have been made, but these have hardly dented the total crop output. Reason is these acres have been planted to other crops.

One direct consequence of these burgeoning stocks was the recent action by Congress raising the maximum borrowing authority of the Commodity Credit Corporation from \$10,000,000,000 to \$12,000,000,000 to permit the government to fulfill its price support commitments. USDA officials have indicated that the 1955-56 increase in CCC commitments may run to \$4,000,000,000. If so, this will mean that the federal government will, in effect, be the market for an amount equal to about 30 per cent of the income from this year's crops.

### CONSTRUCTION

The near-record number of dwelling units being built this year is being absorbed. This is revealed in a recent vacancy survey of the Department of Commerce.

Based on a sample survey in the second quarter of 1955, vacant housing available for sale and for rent amounted to 2.2 per cent of all housing in the United States. This compares with the 1.6 per cent rate for 1950.

In light of the housing shortages of five years ago this increase is beneficial.

Evidence that the housing market has not been saturated is supported also by recent Bureau of Labor Statistics data. These indicate that dwelling units withdrawn from the housing supply, by demolition, con-

demnation, or otherwise, may possibly have totaled 250,000 to 300,000 units annually in recent years. This would account for much of the difference between the number of new households formed and number of new dwelling units built.

### CREDIT & FINANCE

A series of steps by the Federal Reserve system, FHA and VA heading toward tightening credit has taken place over the past few months. Reflecting the tightened credit position is the recent rise by the New York banks for prime credit to a rate of 3¼ per cent, the highest level reached in 22 years.

This increase in the prime rate reflects the government's efforts to slow down the rate of capital and debt formation which showed recent gains.

For example: Consumer installment debt rose \$1,940,000,000 during the second quarter of 1955. Auto debt financing increased by \$567,000,000—a record rise in the sixth consecutive monthly gain. The increase in June a year ago was only \$166,000,000.

Accumulatively, the auto debt at the end of June this year amounted to \$12,600,000,000 as contrasted to \$10,400,000,000 in November, 1953, a previous high.

It is expected that the increased interest rates will not mean curtailing loans to business for commercial, industrial and agricultural purposes to any marked extent in the next six months. It is likely, however, that there will be a noticeable restriction on the availability of bank credit to consumers for appliances and automobiles.

### DISTRIBUTION

Retail sales in the first half of 1955 were nearly eight per cent

above the first six months in 1954. Inventory accumulation has been modest, except for the automobile field, indicating a smooth and quick flow of goods from manufacturer to consumer.

For many lines the second half is usually better than the first half, so prospects indicate a new over-all volume record for 1955.

Factors responsible for the high level in the first half have been high employment, rising income, increased borrowing, and willingness to spend. Most factors should continue favorable throughout the year.

Department stores have had a good first half—six per cent above last year. Sales for the week ended July 30 were up 13 per cent from the same week a year ago. Major appliances were up 33 per cent from first half of 1954.

Recent credit action by government is merely a caution sign, not a sign of alarm. Despite present high debt, defaults and bankruptcies have not been out of proportion.

Surveys indicate consumers are not excessively in debt. Retailers report a low bad-debt ratio—less than half of one per cent.

### FOREIGN TRADE

After three years of price stability in Europe, continued economic expansion and increased demand are again raising the specter of inflation. Unlike the early postwar years, however, the subtle tools of monetary policy, rather than the club of restrictionism, are being used to counter the inflationary tendency.

Beginning with the United Kingdom early this year, several countries of western Europe have been raising rediscount rates to make money scarcer and thus inhibit the overextension of the European boom.

In Britain, high demand and increased consumption have reduced export incentives and have thus stifled the improvement in Britain's balance of payments. Tighter money in Europe, particularly in Britain, may not be sufficient to stem the tide but the use of conservative monetary policies speaks well of the future.

### GOVERNMENT SPENDING

A balanced budget is in sight for 1956, some analysts say. But if it is

achieved it won't be through further cuts in spending.

As Congress wound up its work on appropriations for 1956, it voted expenditures totaling almost \$52,300,000,000. This was about \$1,500,000,000 less than the Administration asked for in the budget. But it was about \$5,000,000,000 more than was appropriated for 1955. Cuts were mainly in appropriations for certain types of military equipment, public works and other items where it takes several years to spend the full amount authorized. Therefore these cuts will not show up in 1956 expenditures.

Last January, expenditures for this year were estimated at \$62,400,000,000. It now appears likely that some items will run higher than the January estimates. Farm price supports are expected to cost more. It is now figured that expenditures may amount to \$64,000,000,000.

Thus, if there is going to be a balanced budget in 1956, it will have to be the result of higher revenues. Lower expenditures are not in prospect.

## LABOR

Unions are plunging into politics. Labor officials make no secret of the fact that they will use the tremendous power developed by the AFL-CIO merger to the fullest extent. Political strategy will be developed by a committee on political education to be chosen at the December AFL-CIO meeting. Walter Reuther is certain to be the guiding hand for this committee.

Among other things, the CIO already is preparing a new publication for distribution to its members, "How to Win Friends and Influence Politicians."

While unions speak of the dimes they contribute to political campaigns, a congressional committee reports that the United Automobile Workers spent more than \$2,500,000 for political purposes in Michigan alone in 1954. This was derived from union dues paid by members as a condition of employment under union shop and maintenance of membership contracts.

In light of these circumstances, it is easy to predict that 1956 will see unions make another determined effort to have all laws repealed, state

and federal, that interfere with compulsory unionism.

## NATURAL RESOURCES

The passage of the Mining Act of 1955 has cleared the way to prevent further abuses of mining claims on federal lands, such as occurred in the past, without interfering with legitimate mining operations.

The law provides no change in the status of claims located before July 23, date of the act, but for later claims, the U.S. may remove timber not needed for the mining operation. However, when patent is issued, the claimant receives title to both surface and subsurface. The act also removes common minerals such as sand and gravel from the mining laws.

Long-range goals established by the U. S. Forest Service for administering the act provide for clearing up (within ten years) abandoned and improper mining claims located on national forests prior to July 23. With a supplemental appropriation of \$300,000 for this fiscal year, the Forest Service will start field examinations in all western regions.

Forest Service regional offices in Denver, Ogden, San Francisco and Portland will each select a typical area containing from 1,000 to 1,500 mining claims in order to demonstrate to the public what to expect in future cases.

## TAXATION

Earnings reports for both individuals and corporations for the first half of 1955 indicate considerable increase in federal tax revenues in fiscal 1956. The first half deficit is unavoidable but will be wiped out in the second half and a surplus attained.

Second quarter corporate earnings at the annual rate of better than

\$42,000,000,000—up more than \$1,000,000,000 from the first quarter—show no signs of slowing. The full year result is expected to reach \$43,000,000,000. Treasury revenue estimates to this time have been based on earnings of \$38,500,000,000.

Personal income for 1955, on which taxes other than withholding would be paid in the last half of the 1956 fiscal year, is expected to reach the \$300,000,000,000 level.

Tax cuts made in 1956 will have little or no effect on fiscal 1956 revenues but will be reflected in fiscal 1957.

Revenues for fiscal 1956 look to be close to \$65,000,000,000, expenditures about \$64,000,000,000, surplus near \$1,000,000,000.

## TRANSPORTATION

Where do we go from here? That's the big question since no highway legislation was passed by the Eighty-fourth Congress.

The question remaining is will Congress take up where it left off when it opens the second session in January?

Widely differing opinions exist. Some say the delay is all for the good; that Congress is acting hastily on a matter of far-reaching importance to the economy of our nation. Others are saying the opportunity for an expanded federal program is lost.

The latter viewpoint seems unrealistic since next year marks the biennium when the Congress normally considers highway legislation. Some highway legislation is inevitable. The last federal highway act was in 1954 when Congress provided \$875,000,000 for 1956 and 1957. This was an unprecedented amount at the time of its passing. It seems certain that the federal aid highway act of next year will be at least as large, and probably larger.

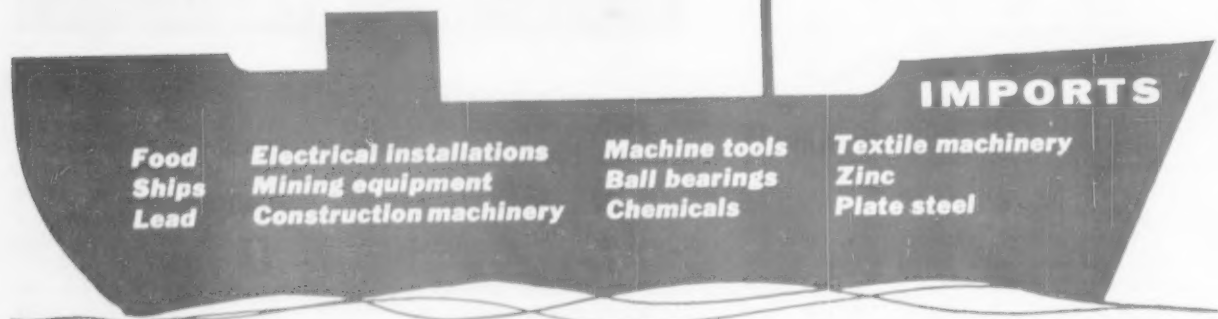


B. S. LURLINE IN SAN FRANCISCO DRY DOCK—STEINHEIMER

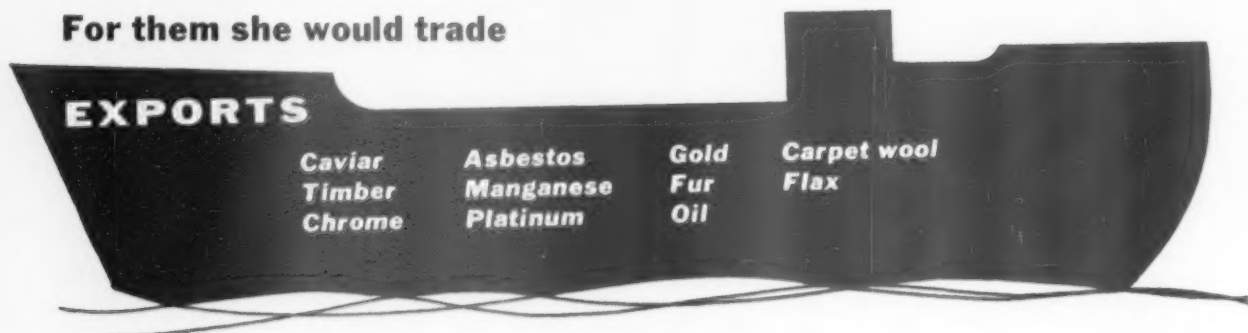
# MORE TRADE WITH RUSSIA ON WAY

**Soviet amiability reflects desperate need for the secret of American technology and for large amounts of food and products**

## The Soviet needs these things



## For them she would trade



AMERICAN business may soon find Soviet Russia and its satellites in the market for millions of dollars worth of U. S. machinery, technology and food.

Three government departments, State, Commerce and Agriculture, and the International Cooperation Administration are trying to clear the path. The President may ask for export law changes to accommodate Russian-bloc trade. Trade missions may be exchanged this winter.

The USSR and its allies need food (grains, meats and vegetable oils), machinery to modernize the basic heavy industries, farm machinery, trucks, construction and electric power generating machines, automobiles and such consumer goods as washing machines; metals now withheld from communist nations by a free-world embargo, merchant ships and railroad equipment.

But what Russia wants most is to learn the trick of productivity and take it home. This means that American machinery would be used as pilot models for Russian manufacturers to copy. American companies have not overlooked this likelihood but, as one man who has dealt with Russia in the past remarked, "It doesn't bother me. I know they will have to come back in five years and buy a new model. By that time the old one has either broken down from misuse or is out of date."

The need for productivity may also lead to another New Economic Policy era as in 1928 when the Soviet hired such U. S. corporations as General Electric, du Pont, RCA, Ford, Sperry Gyroscope and Curtiss-Wright to design, build and operate basic industries for a training period. American technicians actually set up

and ran the Soviet electric, steel, auto, tractor, chemical, aviation, petroleum and mining industries a quarter century ago. The Dnieper River hydroelectric plant, the Gorki auto plant, the Stalingrad and Khar'kov auto factories, to name a few, were built by Americans with technical aid contracts.

The money the USSR spent in the U. S. during the NEP period has never been revealed, but an expert on Soviet economics believes it ran into "tens of millions."

Along with new technical aid contracts, and direct purchase of machinery and materials, Russia may try to work out with the U. S. government an agreement to trade surplus grains and food for such Russian-mined ores as manganese.

The Soviet bloc, suffering from immense food shortages, would be most happy to buy some U. S. farm



# new

**Kodak shutter development combines  
sound-and-silent versatility with  
40% extra screen brilliance!**

How amazing new **SUPER-40**  
Shutter increases projector  
versatility and brilliance:

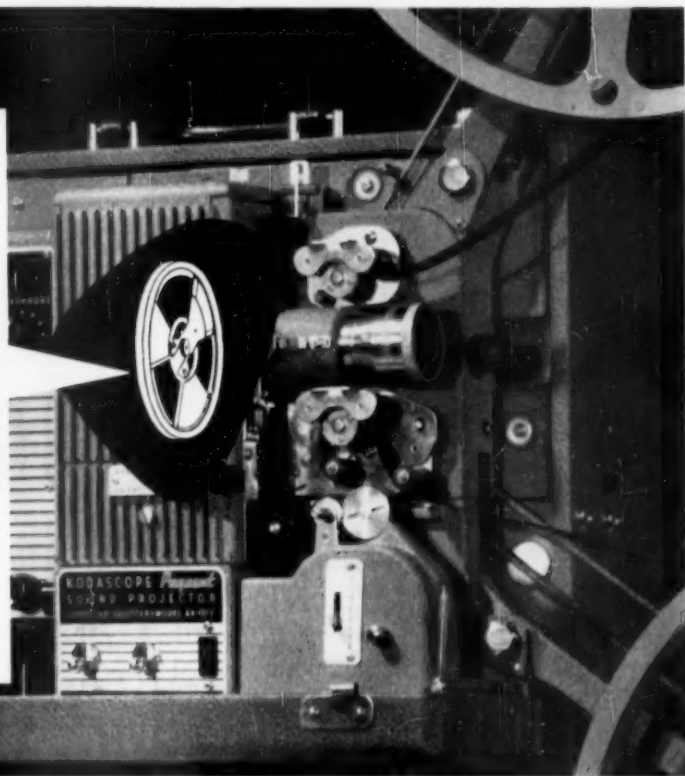


1. Switch on at silent speed. The Super-40 Shutter automatically presents three shutter blades to produce 48 light interruptions per second, the motion-picture-industry standard for comfortably flicker-free projection.

2. Switch to sound speed. Super-40 Shutter shifts automatically to two blades. You can see the picture brighter by more than 40%! Yet there are still 48 light interruptions per second, and your movies remain comfortably free from flicker!



3. Or lock the shutter in 3-bladed position when you don't need the extra brilliance. (To return to automatic shifting, just release the locking lever.)



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## Kodak's amazing new SUPER-40 Shutter

Kodascope Pageant Sound Projectors have long been respected as outstanding in all 16mm. sound projection's most important characteristics. Exclusive permanent pre-lubrication, for example, makes Pageants the easiest of all projectors to maintain, the surest to use, and the most permanently quiet in operation. And there are other features, like the unique sound-focusing Fidelity Control and the built-in field-sharpening element, that make Pageants outstanding in sound and picture quality, too.

Now, with the Super-40 Shutter, there's still another basis of Pageant superiority. This amazing shutter provides *more than 40% extra illumination* at sound-speed operation; yet thanks to its automatic-shift feature, movies are comfortably free from flicker at both sound and silent speeds.

Pageant Sound Projectors, more than ever, merit top recommendation, because Pageants have now achieved a versatility of performance never before approached in 16mm. projection! The Super-40 Shutter equips Pageant A-V Model Projectors for both sound and silent operation... makes them capable of projection not only under "normal" conditions, but also under difficult conditions of illumination, in hard-to-darken rooms, in large halls—wherever additional brilliance, extra-long "throws," or unusually large images are required!

The Super-40 Shutter is supplied without extra cost in any of three new Kodascope Pageant Sound Projector models of varying amplifier output and speaker capacity. See your Kodak Audio-Visual Dealer for full details... or just mail the coupon for a new free Pageant Projector catalog.



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KODAK SAFETY FILM

9-56

## RUSSIA *continued*

surpluses at cut prices, either directly or in one of those Tinker-to-Evers-to-Chance deals we have worked out with our allies. Russia, for example, might ship timber to England in return for American grain. The U. S. would receive its return from the United Kingdom in imports.

The Eisenhower Administration is eager to get rid of immense farm surpluses. Russia knows this and would drive a hard bargain. But, before the Administration acts, it will insist on some clear sign of approval from Congress.

The stage was set for new American-Russian trade relations in the fall of 1953. Then the Soviet bloc began buying in the West, servicing prewar debts, paying indemnities, and depositing gold in London and elsewhere in the West for purchases. The imports into the East areas have been exceeding the exports by as much as \$200,000,000 the past year.

This change of policy followed two significant events, the death of Stalin on March 5, 1953, and the East German riots that summer. Stalin's death brought to power second generation communists, men not riveted to Stalin's harsh and rigid course. The riots were a symptom of the unrest spreading through all East Europe over loss of liberty and continual drop in living standards.

In speeches for internal consumption, the new leaders have been lambasting Soviet equipment and technology and holding up U. S. machinery as models. The USSR has a healthy respect for America's productivity. Even Stalin admitted at Teheran that the allies could not have won the war without American machinery. The U. S. sent \$11,000,000,000 worth of lend-lease aid to Russia in World War II.

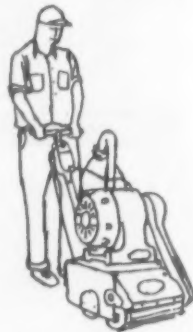
Malenkov has criticized low productivity of factories and farms, using such glum phrases as "serious shortcomings . . . unsatisfactory leadership . . . high production costs . . . neglected states." Khrushchev has bitterly described the downhill course of Russian agriculture. He revealed that Russia had 10,000,000 fewer cattle at the end of 1954 than in 1928, with a 2,200,000 drop in 1952 alone. In October Mikoyan announced higher goals for such consumer goods as refrigerators, washing machines, bicycles.

One of the federal government's keenest students of the Soviet economy told NATION'S BUSINESS, "The USSR and its satellites are caught

in an economic crisis that gets worse month by month. The crisis has existed for years but under Stalin it was ignored. In the early years of the Revolution, sacrifices were expected. The war and the tremendous help of U. S. lend-lease took the regime through another period.

"The new managers are taking stock of the country and system they acquired. Russia has little to show for a generation of Marxist economy. It is still the most underdeveloped nation in Europe. Only 23 per cent of the collective farms are electrified and of these but a third use electricity for more than lighting. Russia's living standards are the lowest on the continent, and the level of the satellites is slipping. A sample is Hungary, where the coal output last year fell 650,000 tons short of its quota, steel production dropped 41.0 per cent and wheat and rye harvests were 22 per cent lower per acre.

"From all the information we can pull together, it seems that the Kremlin has made a deliberate decision to put off any plans for world



conquest at least until the economy can be repaired. The tremendous show of air power in Moscow in recent months was as much for internal consumption as to awe the world. It was to say to the military, in effect, 'Our new arms are the best in the world. We are ahead of the procession. So we can afford to relax, and turn our attention to the civilian economy.' This theme comes up again and again in speeches, and echoed through remarks of Premier Bulganin quoted in *Pravda*.

"Having made the decision, Russia turned to the most critical sector of its economy, farming, with huge orders on the world market. If this trend continues, and Russia can work out the trade arrangements, she will import equipment to increase productivity. This will last long enough for the East to copy the machines and try to make them themselves."

Russia's purchases from the United States are already rising. In the first quarter of this year, the Soviet

bought \$1,615,000 from us, compared to \$330,000 for the same period in 1954. This figure would have been nearly \$27,000,000 had the Commerce Department not ruled against exports of \$17,622,000 worth of surplus butter and \$7,500,000 of food grains negotiated privately.

Elsewhere Russia and the satellites have been buying large quantities of grain, meat and fish. By October, 1954, Russia had ordered from the free world some 142,000 tons of meat, or more than seven times the amount bought in 1953. She bought 176,000 tons of fish the first six months of 1954, and was the world's second largest buyer of butter last year. The Soviet bloc, once a grain exporter, is now buying it outside. Hungary, the breadbasket of central Europe, was a heavy importer last year. Poland is importing grain. Russia is even milking China, traditionally a food deficit nation, for food. Another sign of the urgency of the food crisis is that Russia formerly exported sugar beets and vegetable oils but now is forced to buy outside.

Some causes for the breakdown are hoarding of labor (the collective farm is a great boondoggle to conceal unemployment; more than half the Russian people are regularly engaged in farming); lack of farm equipment; obsolete and improper equipment (Soviet tractors are designed not so much for farming as to fit the tools and dies of tank factories). In addition farming is a huge bureaucracy run from above. Managers are as likely to be politicians as agronomists; the most able bodied members of the staff are the guards who search the peasants for stolen produce, and a multitude of bookkeepers is required to keep straight the quotas, pay of individual farm workers, and the amount of produce individual peasants may retain.

A more basic reason is the lack of incentives. The fascinated questions of the Russian farm delegation to the United States reveal the Soviet is not unaware of this flaw.

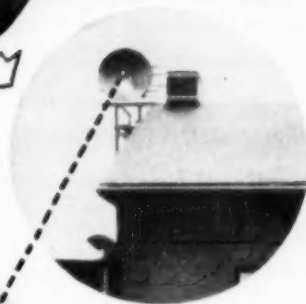
The crisis in industry, judging from imports, is not as severe. However, Bulganin in his July speech was scathing in his denouncement of lags in technology. He compared Soviet machinery with that produced in the U. S., Sweden and other areas of the free world, and said Russian industrial bureaucrats had fallen far behind. He told of one instance where a new Soviet machine was announced with great fanfare, but when it was finally completed the designs were three to four years behind the world pace setters.

One exception, apparently, to this



1. A weather-proof, rotating Farnsworth TV camera, mounted on the platform of the Rock Island's busy Englewood station, scans the main-line crossing.

2. The visual information is fed by cable to a TV monitor at the station.



3. Simultaneously, the picture is transmitted by Federal microwave from an antenna on the station roof.



4. A similar antenna receives the picture at the LaSalle Street Union Station and feeds it to another monitor there.



5. Thus, six miles away, Rock Island executives can see the actual loading and unloading of passengers, baggage, and mail, as well as other railroad operations.

*Railroad's significant test of*

## **ITT** VISUAL COMMUNICATION SYSTEM

*suggests many applications for closed-circuit TV combined with microwave relay*

**T**HE Chicago, Rock Island and Pacific Railroad has shown by this pioneering test how IT&T's TV-microwave system can help solve railroad traffic problems in high-density areas.

The same modern communications technique—product of IT&T research and development—is applicable to the solution of many other problems of traffic control and industrial operations over almost any distance and under practically all conditions.

# **ITT**



**INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION**  
67 Broad Street, New York 4, N. Y.

For further information on closed-circuit TV and microwave relay for railway use, address Federal Telephone and Radio Company, 100 Kingsland Road, Clifton, N. J.

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**4. Key Man Group Accident and Sickness Insurance.** A unique accident and sickness program for your team of key men employees. Especially designed for your company, it gives your employees the security of an insured salary continuation plan during disability. Also provides high limits and benefits to fit your needs.

# that fits your business needs at low cost



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\*Not available in New York, Louisiana or Texas



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MB-114

## RUSSIA *continued*

general lag is the manufacture of high priority military equipment, such as jet planes and missiles. Good records have been set by use of German and Czech scientists, technicians and equipment, and at the sacrifice of other matériel.

There are three other reasons why the USSR is turning to the West for goods and know-how.

First, Khrushchev & Co., to stay in power, must satisfy the military. The military does not believe the Soviet bloc has the economic strength to wage a long war, even a defensive one.

Second, the new management realizes that, to compete politically in the world, Russia must have a strong economic arm. Today the Soviet bloc lacks usable exports it can sell at cut-rate prices. A twofold goal is to drive political rivals out of choice markets and create economic confusion by price cutting. (Recently, Russia sold a limited number of tractors to India at half the rate charged by other manufacturers.)

Russia has made faint but clear stabs at exploiting have-not markets. A typical example is Kabul, the ancient capital of Afghanistan, high on a mountain plateau west of the Khyber Pass. It is a trading center where camels and trucks move with wool, silk carpets, hides, spices, dried fruit, cotton, tea and sugar. The Russians have come down from the north to pave the streets, lend money at three per cent and build a gasoline storage system, two grain elevators, electric flour mill, bakery, cement plant, leather processing factory and textile mill. Kabul is a show window, and a sign of what Russia would like to do if it had more machinery to export.

In his last report as Foreign Operations Administrator, Harold Stassen had this to say about Russian foreign investments: "The areas often chosen for investment are transportation, power, storage facilities and other strategic points of the economy. . . . There can be little doubt that Soviet communism, as a general rule, considers investment abroad a means of economic and political penetration, as well as a means of acquiring at low cost materials and revenues from abroad and disrupting free world ties in these areas."

Third, the Soviet bloc has been hurt badly by the blockade of strategic materials imposed by the free nations.

Commodities on the blacklist show

the extent of the embargo. They include crude rubber, nylon cloth suitable for parachutes, gasoline, lubricating oils and greases, alloy steel bars, industrial diamonds, aluminum scrap, metal or alloys in crude form, copper, generators of more than 5,000 kw and parts, power excavators and drilling machinery, types of air-conditioning equipment, track-laying tractors, passenger cars, trucks and buses, gamma globulin, agricultural sulfur dusts and spray concentrates with 85 per cent or more sulfur, carbon black, and blasting caps.

The blockade, which Congress ordered at the height of the cold war and in which our allies joined, was to keep from communist hands any goods that might be used directly or converted into war potential. There are many objections to the strictness of the blockade within the free world.

The U. S. Chamber of Commerce stated, "Severance of all trade with those [communist bloc] countries would in some cases be more harmful to the free world than to the countries behind the Iron Curtain. The West obtains from the East commodities vital to its own defense and of value to its economic stability. The criterion of such trade must be one of net advantage."

Sen. Walter George, chairman of the Foreign Relations Committee, backs this view.

The story in Washington today is that the blockade will be lowered, if and when Russia shows evidence of good faith.

The Russians are eager to obtain almost all machine tools on the blacklist. Questioning of recent escapees from the USSR reveals that except for high priority production the machine tools are, by our standards, poor. They are old and not exact.

The Soviet bloc has been shopping for ships to build a merchant marine. Since mid-1953 Russia has been ordering ships, including fishing vessels, from Finland, Italy, Belgium, Holland, Denmark, France, Sweden, West Germany, and Britain. Our moth-balled World War II liberty ships have probably not escaped Soviet notice. However, the United States is unlikely to turn over any of these ships until a satisfactory settlement is made for the 77 merchant ships leased to the USSR in World War II and never returned.

A study of Russian-satellite trade agreements shows the kind of industrial equipment the East wants. The items for import include ball bearings, electrical equipment, steel products, pyrites, lead, zinc, aluminum, cables, rods, bars, plate steel, railroad equipment, floating cranes,





**It's better business to buy Chevrolet Trucks!  
Your hauling costs go down to stay with today's**

Your ton-mile hauling costs hit bottom! Your outlay for upkeep shrinks way down!

That's what happens when you put today's most modern trucks to work on your job. For new Chevrolet Task-Force trucks were built to slash your overhead to the bare bone. Everything in these handsome huskies was engineered with an eye to lower maintenance requirements and higher operating economy.

Frames are more rigid and rugged in every

model, with full-length parallel side members. Cabs are not only more comfortable, but more durable as well. And so it goes all down the line.

In the engine department, Chevrolet Task-Force trucks bring you the most modern power for any job. The new L.C.F. (Low Cab Forward) is powered by the shortest stroke V8 in *any* leading truck! And you have your choice of this ultra-efficient type of V8\* or a new and advanced 6 in other new Task-Force trucks. *All* new Chevrolet truck engines

**NEW CHEVROLET *Task-Force***





## most modern trucks!

have a modern 12-volt electrical system for quicker starting and better ignition.

With a new Chevrolet Task-Force truck, you can count on saving money from here on out. The same modern features that cut your costs today will bring you an extra bonus when trade-in time rolls around. See your Chevrolet dealer for the lowdown on the trucks that'll bring your costs down—for good! . . . Chevrolet Division of General Motors, Detroit 2, Michigan.

# TRUCKS



### WORK STYLING

*A new approach  
to truck design*

*Easier handling  
with new*

### POWER STEERING\*

### THE SHORTEST STROKE V8\*

*in any leading truck*

*You can have  
NEW OVERDRIVE\*  
or HYDRA-MATIC\**

### NEW CABS

*with greater comfort,  
panoramic windshield*

**POWER BRAKES**  
*standard on 2-ton  
models, extra-cost option  
on all others*

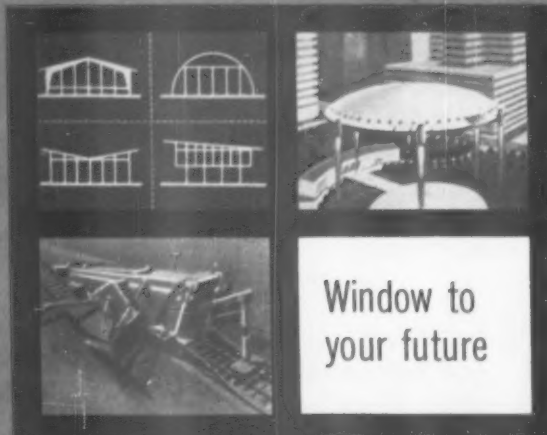
**NEW CAPACITY—  
UP TO 18,000 LBS.  
MAXIMUM G.V.W.**

**TUBELESS TIRES  
STANDARD**  
*on 1/2-ton models*

**NEW, MORE DURABLE  
STANDARD-WIDTH  
FRAMES**

\*V8 standard on L.C.F., extra-cost option on all other models except Forward-Control. Overdrive optional at extra cost on 1/2-ton models. Hydra-Matic optional on 1/2-, 3/4- and 1-ton models. Power steering optional on all except Forward-Control models.

# People, Products and



Window to  
your future

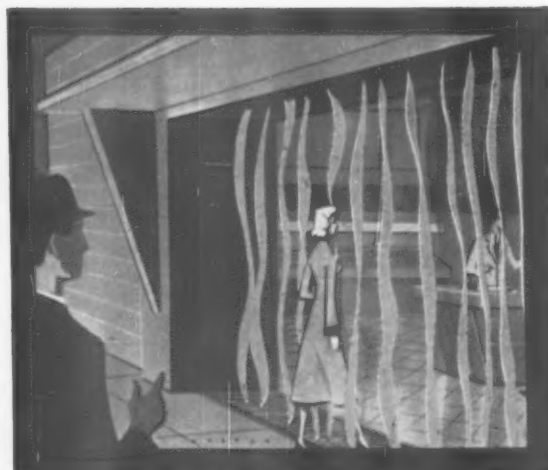
# Progress:

# 1975

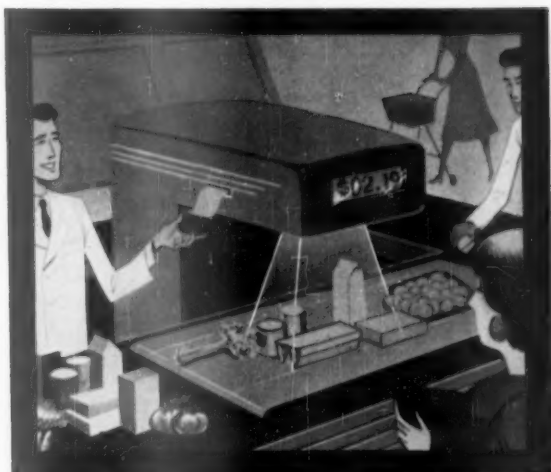
In 20 years America will have 221,000,000 people. Today's industry shows what is in store for you



*Your share of farmland will shrink, but better fertilizers will boost yields and improve foods*



*Shoppers will find store fronts entirely open, with warm air curtain in winter, cold in summer*



*There'll be less waiting in food centers in 1975. Electronic eye will compute prices on all items*



*Larger classrooms will serve smaller classes and air conditioning will become standard equipment*

More food.  
 Better shelter.  
 Greater comfort.  
 More leisure and more ways  
 to enjoy it.  
 And 20,000,000 more jobs—  
 better jobs.

That is how industry sees America in 1975.

It is a practical view. When industries and trade associations were asked by the Chamber of Commerce of the United States to contribute opinions to a composite picture, they were careful to avoid any type of daydreaming.

Their predictions anticipate logical applications of research already under way, or improvements in products now available. The changes they foresee in our future standard of living are the natural increment of a free, competitive enterprise system. Without such a system the Malthusian theory and other doctrines of pessimism would hold some terrors for a country which, 20 years from now, will need to feed and house 221,000,-

000 people with no increase in land area. With it, such a population provides new job opportunities, a spur to technological advancement and a multitude of new customers.

Among the things which industry expects to offer these customers are:

#### **A variety of nutritious foods at lower cost**

Although arable land is limited, new, commercially produced plant foods and new methods of bringing water to the land will increase production per acre. Cost-saving advances are coming in distribution—among them moving belts, automatic loaders and electronic counting machines that will simplify handling in warehouses and in moving goods on to the retail store.

There the food shopper's task will be simplified by a check-out counter where an electric eye and an automatic computer will tote up her bill without waiting.

As she leaves, she will have no doors to open. The whole store front may be closed only by a curtain of air—cool in summer, warm in winter—flowing from a vent in the ceiling to a grating in the floor. The items she takes home will include more prepackaged foods than are available today—some of them equipped with chemical heating or cooling units which will permit her to cook or chill the product right in the package.

#### **More luxurious living**

New materials, steel among them, may or may not change the outward appearance of tomorrow's house, but the trend toward indoor-outdoor living certainly will. The lawn, the patio, probably the swimming pool, will be integral parts of the house design. Privacy assured by this arrangement may make possible outside walls of glass—even in bedrooms.

Inside, the most obvious change may be the absence of walls. Lighter steel, thin shell concrete, and trussed rafters of timber will eliminate the need for propping up the roof and ceiling. Walls can thus be movable, either manually or by use of power. Some of them also will be of the storage type.

In this home, 100 mechanical servants will do the owner's bidding. Automatic controls will close windows and doors in case of rain or temperature changes. Ultrasonic waves will wash clothes and dishes without mechanical agitation—and sterilize them. A twist of a dial and clothes will move on to automatic ironers. Electronic wall and ceiling panels or gas heat pumps will satisfy every temperature whim. In electric kitchens, panels of tiny thermo-junctions will provide cooling in the refrigerator and deep freeze. Similar panels, with current reversed, will warm other foods.

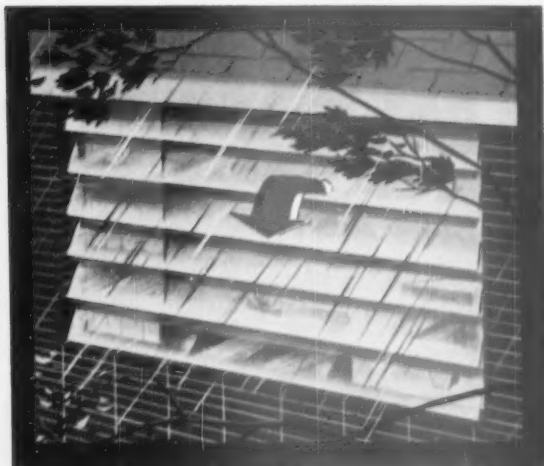
In gas kitchens, all equipment may be prefabricated into a single wall unit. Dial-controlled hot water faucets will serve water at any desired temperature. Incinerators will appear and disappear at a touch of a button. So will the refrigerator and the hidden cooking units.

Instead of switches, control panels will regulate interior lighting. A hand waved before such a panel will raise or lower lights, even change their colors to blend or contrast with draperies and upholstery.

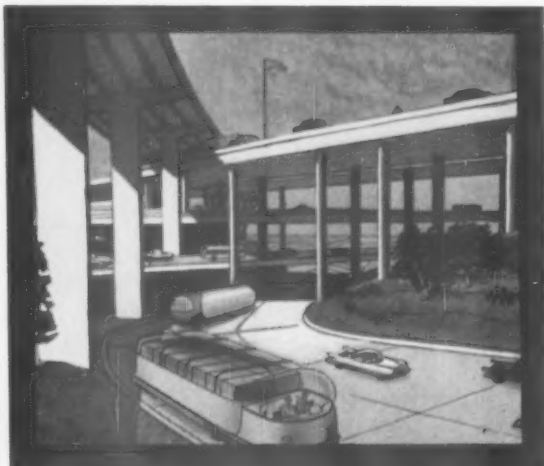
New in home entertainment will be the television tape recorder and the electronic music synthesizer. Both will operate with paper tape. Using the recorder, and a portable TV camera, the home owner can record pictures on tape, play them back on the family's picture frame TV. With the synthesizer, hi-fi will reach new perfection, including, for those who wish, production of musical sounds never heard before.

#### **Cities with fewer problems**

Light-weight concrete of great strength permitting concrete buildings 40 stories tall and office buildings sheathed in stainless and porcelain-enameled steels will



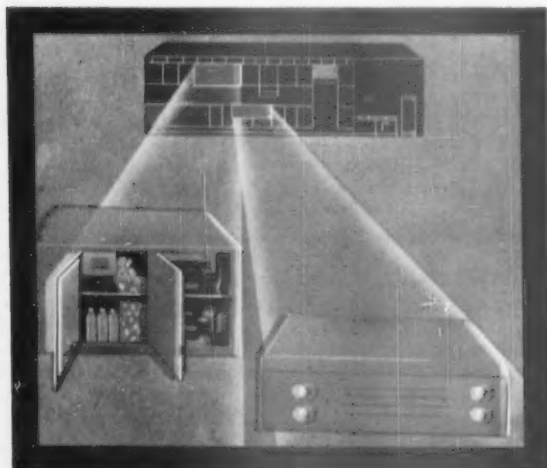
*Windows will be built to close automatically in homes of 1975 so that rain will never blow in*



*Multilevel, heavy duty superhighways of future will offer high-speed travel in, maximum safety*



*Warm or cool air will come from wall and ceiling panels. Television will be thin wall screen*



*Hidden cooking units, refrigerators, other gadgets will emerge from kitchen wall at touch of a button*

change skylines in 1975. Grouping municipal buildings and related structures in civic centers will change city geography. Included in many such centers will be the auditorium. Topped with a thin-shell concrete roof, this building will provide clear floor space the size of two football fields—with a mammoth parking lot underneath.

Different, too, will be tomorrow's schools. They will be on larger sites, with more outdoor work and play areas. Common practice will be to separate various activities in specialized buildings; large buildings for group activities such as assembly sessions and sports; smaller buildings for classrooms, each equipped for use of films, television recordings, and with a stage for classroom dramatizations.

The rooms will be larger, yet serve smaller classes. They will have windowless alcoves for quiet study. Furniture will be flexible, healthful and comfortable. Good lighting, acoustics, air-conditioning and ample storage space will be standard equipment.

Where climate permits, outside as well as inside space will be used as part of each room.

But perhaps the greatest change in tomorrow's city will be improved traffic conditions. According to one solution, drivers will leave their cars at fringe parking lots, step onto a conveyer belt that will carry them underground to continuously moving conveyer carriages that will transport them to the city.

Beneath the main shopping district a network of conveyers will move shoppers from store to store. After business hours, this same system will deliver freight. Similar conveyers will aid pedestrians at airports, railroad and bus terminals.

#### **Specialized personal transportation**

For those who must use city streets in 1975, one automotive engineer suggests use of an in-town car. About the same size as today's car although much lower, it will carry four people in fixed seats. Its power plant, in the rear, will give medium cruising speed and an automatic brain may handle parking problems.

For long-distance travel, the car of tomorrow will be a highway cruiser, longer—measuring perhaps 20 feet—lower and wider than today's. A gas turbine—perhaps atomic power—will drive it. It will provide safe, fast travel over heavy duty superhighways. Prestressed concrete bridges capable of spanning great distances will permit building these highways with many levels,

# Why Railroads Support an Up-to-Date Transportation Policy

**Consider the extraordinary situation that the railroads of this country face today.**

Here is a fundamental industry, performing a service essential in peace and irreplaceable in war; providing, maintaining, and continually improving — at its own expense — the roadways and other extensive facilities which it uses (and paying taxes on them besides); directly employing more than one million people; operating with steadily increasing efficiency; and financed conservatively, with a steadily decreasing total of fixed charges.

Yet here is an industry which earns a return on investment of only about 3½% — among the very lowest of all industries; an industry so restricted by the application of laws governing transportation that frequently it is not permitted to price its services on a competitive basis.

☆ ☆ ☆

**How can such a situation have arisen in a nation devoted to the classic concepts of free enterprise and equal opportunity?**

An important part of the answer is clearly indicated by the recent report of the Presidential Committee on Transport Policy and Organization created last year by President Eisenhower. This Committee consisted of five members of the President's Cabinet and two other high government officials, charged with responsibility for making "a comprehensive review of over-all federal transportation policies and problems."

**The report of the Committee, released by the White House in April, opens with this sentence:**

"Within the short span of one generation, this country has witnessed a transportation revolution.

"During this same period," the report continues, "government has failed to keep pace with this

☆ ☆ ☆

For full information on this vital subject write for the booklet, "WHY NOT LET COMPETITION WORK?"

change . . . regulation has continued to be based on the historic assumption that transportation is monopolistic despite the . . . growth of pervasive competition. The dislocations which have emerged from this intensified competition, on the one hand, and the restraining effects of public regulation on the other, have borne heavily on the common carrier segment of the transportation industry . . .

"In many respects, government policy at present prevents, or severely limits, the realization of the most economical use of our transportation plant."

To the end that all forms of transportation should be developed to their greatest economic usefulness, the Cabinet Committee recommended, among other things, that:

**"Common carriers . . . be permitted greater freedom, short of discriminatory practices, to utilize their economic capabilities in the competitive pricing of their services . . ."**

☆ ☆ ☆

**Legislation to give effect to Committee recommendations has been introduced in Congress.**

Passage of this legislation would not give railroads any rights that other forms of transportation do not already have or would not receive. The legislation recognizes that each of the competing forms of transportation has advantages in handling different kinds of shipments, moving between different points and over different distances. It proposes that each type of carrier be given the freest opportunity to do the job it can do best, at the lowest reasonable cost.

**That's the way toward the best and most economical service, to the benefit of businessmen, taxpayers, and the consuming public—which, in the end, pays all transportation costs.**

**ASSOCIATION OF AMERICAN RAILROADS**

920 TRANSPORTATION BUILDING, WASHINGTON, D. C.



*New lightweight materials and advancements in building techniques will change future skylines*



*Conveyor manufacturing industry predicts belts will carry people downtown from fringe parking*



*Suburban commuters will ride helicopters from neighborhood terminals at three miles a minute*

### SOUND FILM AVAILABLE

This article and its illustrations are from a 16 mm. animated sound film, "People, Products and Progress; 1975," prepared by the Chamber of Commerce of the United States with the cooperation of industries and trade associations. The film, in full color, runs 28 minutes.

Prints may be ordered from the Business Relations Department, Chamber of Commerce of the United States, 1615 H Street NW, Washington 6, D. C., or from any of the Chamber's six division offices in New York City, Atlanta, Chicago, Minneapolis, Dallas and San Francisco.

Purchase price, \$125, includes print, reel, can, shipping case and prepaid shipping charges. Rental charge, for seven days or less, is \$15.

eliminating grade crossings, segregating traffic of different types.

Once on the road, the car's electronic devices will warn of obstacles ahead, may even eliminate the need for a driver altogether.

#### **Faster public transportation**

Railroads will speed freight service not only on the main lines but in triple-decked classification yards where cars will be switched electronically and TV cameras will make possible long-range inspection and recording.

Several new type light-weight, articulated trains are promised for passengers. Long distance travelers will find floating chairs, hideaway tables and adjustable partitions to create semiprivate compartments for their own parties. Hidden conveyer tubes will bring food and beverages and conveyer aisles will serve those who want to go from car to car. For commuters, double-decked cars will provide more space and comfort.

Both freight and passenger trains will move on road-



*Special steels will be used in development of atomic power plants that will open vast new frontiers*



Manpower's amazing and here is the proof:  
When shipping costs grew, the boss raised the roof . . .



Now the roof's back in place and the future looks bright,  
Swift **RAILWAY EXPRESS** keeps his shipping costs light.

## The big difference is

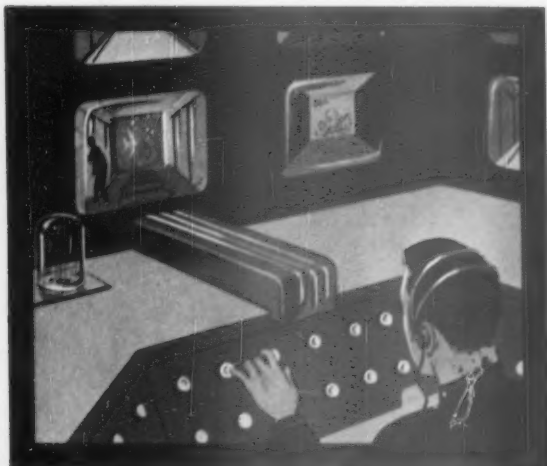
Whether you're sending or receiving, whether your shipment is big or small, and whether it's moving by rail or air—you'll find it pays to specify Railway Express. It makes the big difference in speed, economy, and safe, sure delivery.

• • •

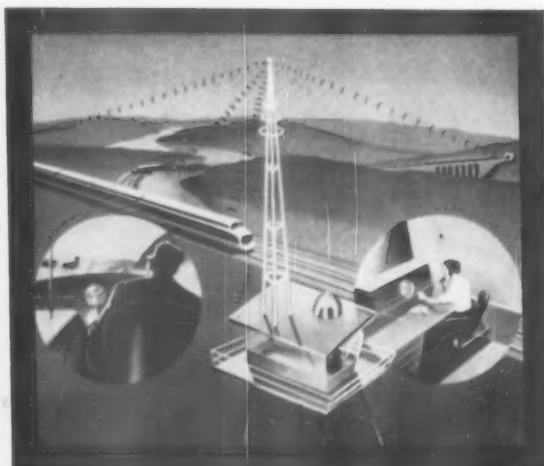
Railway Express uses the facilities of some 480 independent and competitive transportation companies in the movement of express traffic. It's free enterprise at its best, putting at your service one-third of a million miles of co-ordinated rail, air, water, and truck routes that connect all America.



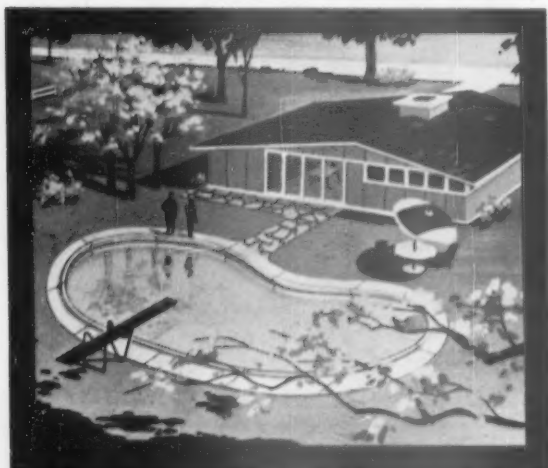
**... safe, swift, sure**



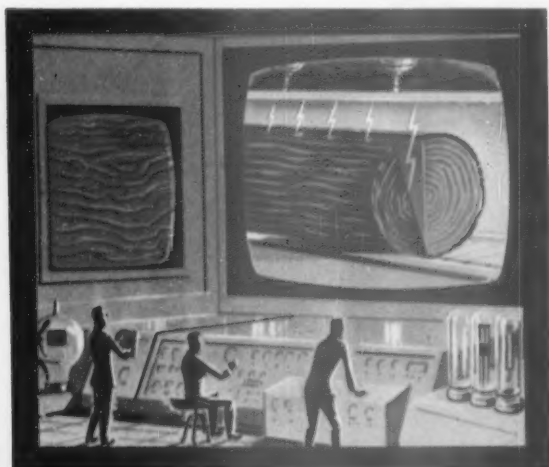
*Hotels of tomorrow will have TV screens for monitoring corridors for sneak thieves and prowlers*



*Railroad industry predicts use of radar impulses to transmit signals from locomotives to switch stands*



*Homes will have new emphases on indoor-outdoor living which more leisure time will make possible*



*Sawyer in lumber mill of the future will work from master control room, slice logs with invisible ray*

beds kept in condition by a machine which, in one operation will take up old track and lay new, widen and grade the roadbed, ditch for proper drainage, replace and tamp rock ballast [see cover picture]. Some of the trains using this track may be pulled by atomic-powered locomotives. The Atomic Energy Commission already has approved proposals to explore this possibility. But, whatever the power, radar impulses will transmit signals to the locomotive and to trackside switch controls, contributing to safer train movement.

The aviation industry promises jet-propelled freight planes capable of carrying 100-ton payloads at 600 miles an hour. For the long-distance air traveler, 200-passenger airlines will make the Washington-to-Paris flight in less than three hours, at 1,200 miles an hour and 50,000 feet up.

For shorter flights—Washington-Chicago, for example—passengers may ride the first practical flying saucer [also on cover], capable of carrying 100 passengers at 600 miles an hour, while 30-passenger helicopters will be used between suburbs and downtown areas.

For freight that moves by highway, the trucking industry predicts atomic powered tractors with electric drive motors on each axle and, in the cab, small TV screens which will give the driver and his relief man a view of everything on both sides and behind. Operating in special truck lanes, these tractors may pull several trailers, each with a clear plastic top admitting light to simplify freight handling.

### **Comfort everywhere**

Those who leave their comfortable homes to enjoy the new comfortable means of travel will find even more comfort waiting at the end of the trip.

Tomorrow's hotel, says the hotel industry, will feature a drive-in entrance for guests who arrive by automobile, a rooftop landing field for helicopters.

Elevators will carry the guest, his baggage, and his car if he has one, to a room on the building's outer ring. The interior will be reserved for parking.

In his bedroom the guest will find a control panel from which he can regulate the firmness of his mattress, order food, beverages, and newspapers delivered by pneumatic tube. Telephone calls will be accompanied by a TV picture of the party at the other end—unless the answerer has just stepped out of the shower. In that case, he can stop picture transmission.

By pressing a button, the guest can sanitize his bath-





**“Hold it —  
here’s the information we wired for!”**

**Y**OU get the facts you need—fast and on record—when you ask for them by telegram.

That’s because telegrams always get action from the man you want to reach. Going or coming, a telegram’s speed is always combined with an air of authority—a built-in urgency that says “Other things can wait, but this is important.”

Men who get things done use telegrams by habit . . . to get priority attention from other busy men . . . to

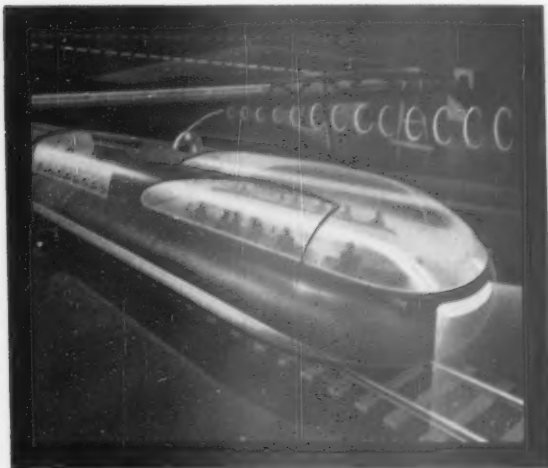
save time for themselves. And . . . they *always* make it a habit to ask for a reply by wire.

Good habit to get into.

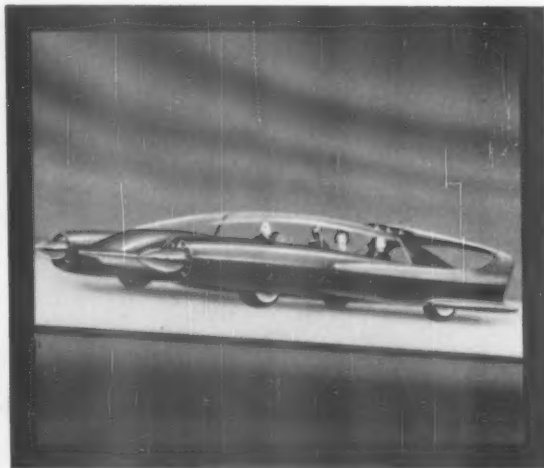
*when it means business*  
**it's wise  
to wire**

<small>Send Telegrams to New York, N. Y. Chicago, Ill. San Francisco, Cal. London, England</small>	<b>WESTERN UNION</b> TELEGRAM	<small>U. S. DEPARTMENT OF COMMERCE BUREAU OF STANDARDS</small>
<b>GET THE ANSWER . . . GET IT FASTER!</b>		
Always ask for a reply by wire. You get telegraphic speed both ways.		

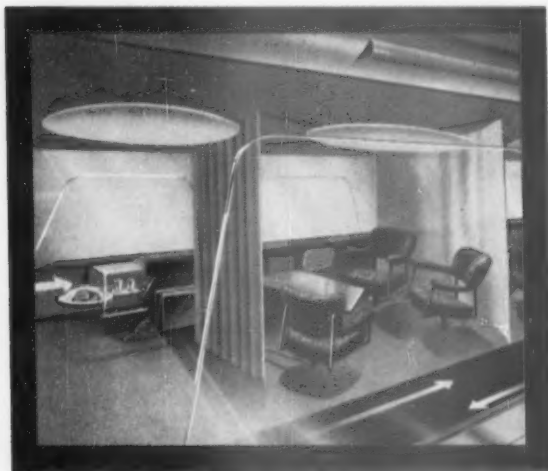
**WESTERN UNION**



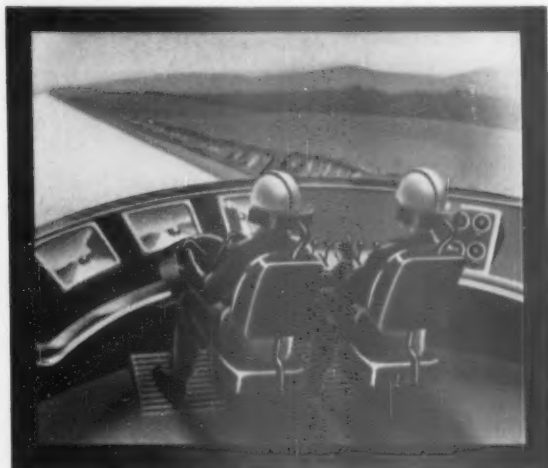
*New, lighter weight passenger trains will give travelers of tomorrow faster and easier rides*



*Motors in the rear will help give your personal automobile this lower and streamlined appearance*



*Trains will have adjustable partitions, conveyer aisles, and conveyer tubes for refreshments*



*TV screens that show what's happening in back and on the sides will be devices to aid truckers*

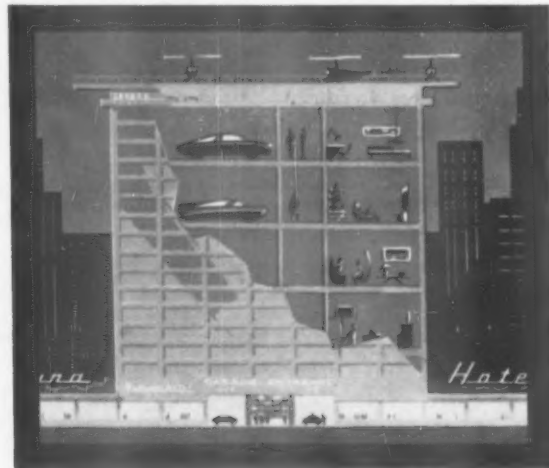
room and its fixtures with an odorless and harmless gas. Under the sink will be an automatic washing machine, dryer and a small refrigerator for producing ice cubes. Towels will be stored in heated cabinets.

In hotel kitchens, individual packages of precooked foods, preserved by radiation, will be heated in electronic heaters before moving on conveyers to the waiters' pick-up spot—and management can supervise all this from television monitor screens in the central office.

This sampling of what a few industries plan for the future demonstrates how a dynamic economy continually looks ahead to new products, new services, new developments. It shows, too, where this country will find the 1,000,000 new jobs that must be found each year because our population growth makes it necessary. We must make 20,000,000 such jobs by 1975.

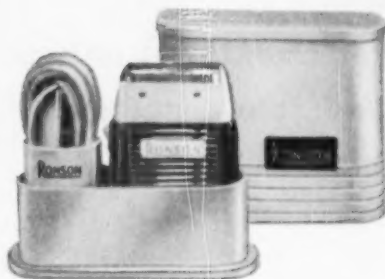
Many of these jobs will be in industries not even anticipated today. Some will be new techniques in old industries. Some will be merely better ways of doing what already is being done.

In any case, they will be better jobs leading to even further technological advancement because, even in 1975, our free market economy will still be looking toward the future. END



*Hotels will use center section for parking, outer ring for rooms, roof for helicopter landing*

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Ronson keeps you well remembered because everyone knows that a Ronson gift means prestige and quality.

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# COMPULSORY UNIONISM IS GROWING

**Two thirds of workers represented by unions have to join up to hold their jobs despite spread of right-to-work laws to 18 states**

WORKERS are being forced to join unions to keep their jobs despite the spread of legal protections against compulsory union membership.

In the past five years the proportion of employes under union contracts requiring them to join the union or look for other jobs has increased from 49 to 64 per cent.

If those employes who have to stay in the union once they join are in-

cluded, the increase has been from 69 per cent to 81 per cent.

The number of employes who are still free to decide for themselves whether they want to belong to unions has decreased from 31 per cent to 19 per cent.

These trends are revealed in a survey made by the U. S. Bureau of Labor Statistics of 1,716 union contracts in effect last year covering

7,405,000 employes of companies employing at least 1,000 workers.

Among those recently forced into unions are some 18,000 employes of General Motors Corp., many of them long-time employes who had refused to join ever since the CIO United Automobile Workers won bargaining rights in the automobile industry in the mid-1930's. In its new contract with UAW-CIO, General Motors agreed to a full union shop because it "is prevalent in the automobile industry." Earlier only new employes had to join the union, with a chance to get out after a year. In Indiana last month 200 General Motors employes obtained a temporary court injunction against being forced in to keep their jobs.

Meanwhile the number of states which prohibit compulsory unionism has increased in the past five years from 12 to 18. Utah became No. 18 in February. The others are Alabama, Arizona, Arkansas, Florida, Georgia, Iowa, Louisiana, Mississippi, Nebraska, Nevada, North and South Carolina, North and South Dakota, Tennessee, Texas, and Virginia.

Kansas just missed being No. 19. The legislature passed a right-to-work law, but it was vetoed.

Efforts in 11 other states to pass similar laws this year were unsuccessful. The states were Colorado, Connecticut, Idaho, Indiana, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Ohio, and West Virginia.

In 1946 only five states—Arizona, Arkansas, Florida, Nebraska and South Dakota—protected workers against agreements between employers and unions requiring union membership. This was done through provisions in the state constitutions.

Most states which have taken steps against compulsory unionism did so in 1947. Eleven states including four with constitutional provisions, passed right-to-work laws, although Delaware and New Hampshire repealed theirs in 1949.

Congress passed the Taft-Hartley labor law in 1947, outlawing the closed shop but permitting the union shop under certain conditions. (Under a closed shop a worker had to be a union member to get a job; under a union shop he has to join the union after he is hired.)

In deference to the widespread state interest in the subject, the Taft-Hartley law also specified that state laws limiting compulsory unionism would take precedence over the Taft-Hartley provision.

The Supreme Court has twice upheld the state right-to-work laws; first in a 1949 decision involving North Carolina and Nebraska, again

## COMPULSORY UNIONISM BY INDUSTRIES\*

Per cent of employes under contract who have to:

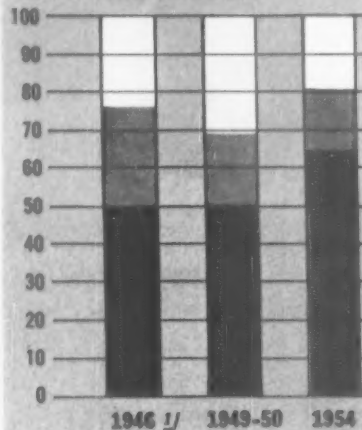
	join and stay in union	stay in if they join union
Apparel	100	0
Rubber	98	1
Mining, oil and gas	97	2
Hotels & Restaurants	97	0
Printing & Publishing	95	5
Construction	93	0
Lumber	91	3
Retail trade	90	9
Leather	88	3
Wholesale trade	85	10
Paper	83	4
Furniture	78	14
Stone, clay and glass	74	3
Transportation (except railroads and airlines)	74	0
Transportation equipment	71	19

Source: Bureau of Labor Statistics

\* Does not include companies having no union contract

## GROWTH OF COMPULSORY UNIONISM

Per cent of employes under union contract



Are free to join or not join

Workers who join have to stay in union (under maintenance of membership)

Have to join union (under union shop)

1/ Includes closed shop (only union members can get jobs), which Taft-Hartley law abolished.

in 1953 in a case involving Virginia.

In spite of labor leaders' efforts, since 1949 no right-to-work law has been repealed and six have been passed. Repeal drives failed this year in Alabama, Arkansas, Iowa, North and South Carolina, North and South Dakota and Tennessee.

Labor is now concentrating on getting Congress to repeal Section 14(b) of Taft-Hartley which permits these laws. This will be an important issue when Congress next considers Taft-Hartley amendments.

Indicating the intensity of the union fight against restrictions on compulsory union membership is the attention union newspapers give it. A survey of union papers by the Employers Labor Relations Information Committee shows that the space devoted to this fight ranked second only to political education.

The BLS survey does not include the spread of compulsory union membership among railroad employees because BLS does not concern itself with railroad labor contracts. For 25 years the Railway Labor Act prohibited compulsory unionism largely at the request of the railroad brotherhoods which feared the workers would be forced into so-called company unions. In 1951, the Act was amended to permit the union shop, with the further provision that the Railway Act take precedence over any state law. In 1952, on the basis of recommendations of a Presidential Emergency Board, 50 eastern railroads signed union shop agreements with the non-operating railroad unions. Many others did likewise. As a result many of the approximately 800,000 non-operating employees must belong to unions to keep their jobs.

The right of Congress—through the Railway Act amendment—to prohibit a state from banning compulsory union membership is being tested in the courts through legal actions brought in most instances by employees who do not want to be forced into a union.

Such actions have been brought in Florida, Nebraska, North Carolina, Texas and Virginia. In Nebraska, the State Supreme Court has held that a union shop contract covering employees of Union Pacific Railroad violates the state constitutional ban against compulsory unionism. In the other states, lower court decisions have upheld the legality of the Railway Act's union shop provision, irrespective of state law. These decisions are headed for the Supreme Court, which will be asked to decide for the first time whether Congress can deny a state the right to outlaw compulsory unionism.

END

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The new program at Studebaker-Packard Corporation has brought together a group of dynamic *new men* — men rich in automotive experience who see an opportunity like no other in the auto industry — men known for their drive and vision and ideas. Stylists, engineers, and designers — these are the men who are making the big difference in your motoring future.

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**WORKMANSHIP STILL COMES FIRST!**

## SPAIN

(Continued from page 31)

Spain is pledged to relax some of these controls and, indeed she has done so to an extent. But Americans in Spain complain that there hasn't been enough relaxation to meet the terms of the agreement, much less enough to make Americans eager to plunge into many Spanish ventures.

The Spanish bubble burst in mid-1954 when it was announced that Spanish firms would get preference in the award of construction subcontracts. This caught many American contract hunters by surprise. Four American firms had done the preliminary architectural and engineering work, and the prime contract was held by Brown-Raymond-Walsh, an American combination of Brown & Root, of Houston; Raymond Concrete Pile Company, of New York, and Walsh Construction Company, of Davenport, Ia.

Many of the hopeful who were operating on shoestrings lost their shirts. Others went home disillusioned. A few who were married to Spanish girls or were otherwise enamored of the country went into commercial ventures where the 25 per cent limit on foreign capital did not apply—thus such Madrid signs as "American Restaurant" and "Cowboy Grill."

Spanish officials and business people respect and admire the Americans who have survived the rush. Their highest praise goes to those who have done business in Spain for

the past half century—firms like General Electric, Armstrong and others. They rely heavily on these firms in carrying out the present military and economic aid program. The Spanish also have a healthy respect for the technological skill of countless other Americans, not only the financiers and heads of large corporations but also the meteorologist and the veteran pipe rigger who is straw-bossing construction of the trans-Iberian pipeline and the American who is teaching Spaniards to operate bulldozers.

Latest Spanish statistics place the number of transient Americans at 6,363. This does not include American tourists, who are expected to reach 200,000 before the end of this year. Nor does it include the 1,623 Americans listed as resident. Departing Americans who failed to land contracts or orders have been replaced by incoming American servicemen. Maj. Gen. August W. Kissner, USAF, who is over-all boss of the base construction program, has had to arrange for housing (the masonry is being done by Spaniards who are unsurpassed in the trade), PX's, even schools. More than 300 American children are already enrolled.

American activity in Spain increased so much the past two years that Ambassador and Mrs. John Davis Lodge were squeezed out of the living quarters planned for them in the American Embassy's new \$3,000,000 eight-story building. The ten-room residential wing was con-

verted into space for the U. S. Information Agency and the Lodges are living at the villa formerly occupied by the ambassador's predecessor.

The successful American businessmen have made themselves *simpatico* in the eyes of the Spaniards. They respect Spanish social sensibilities. They remove their hats in hotel lobbies and public places, bow señoritas into elevators and through doors, speak in subdued tones, and avoid wearing loud ties and spectacular sport shirts in the wrong places. They have even become adept at hand kissing, which, in Spain, is widely practiced.

Americans can be found with Spanish officials and business leaders any day at various private clubs, or at hotel bars and restaurants such as those at the Palace, Castellana-Hilton, the Fenix or Ritz. But the Palace bar is the Grand Central Station for them all. It is the meeting place for preluncheon cocktails between two and three o'clock in the afternoon and for predinner drinks between nine and 10:30 in the evening. Assembled there are some of the most distinguished-looking gentlemen and beautiful and well dressed women to be found anywhere in Europe.

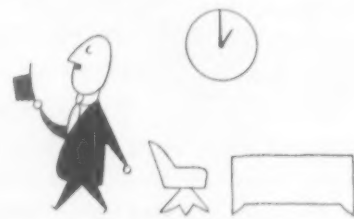
These moments of relaxation with cocktails followed by the theater, the bull fights and soccer matches are really well deserved.

Actually, the American's business day is a long series of annoying frustrations as he tries to get things done working under a topsy-turvy

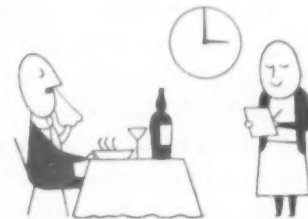
## SPANISH WORK DAY *begins and ends late*



Boss usually starts work about 11 A.M.



Knocks off about 2 P.M. for the siesta



First, cocktails, then lunch about 3



Home for a snooze, then up, and to work



Back at office at 5, he works hard to 8



Then come cocktails, dinner, theater



schedule and under one of the world's most complex economic systems. Getting a telephone, for instance, is a major achievement. (Coca-Cola de España's main office does not even have a listed phone.) The government cannot be expected to give service to foreigners in preference to Spanish applicants.

Standard Electric S. A., IT&T's Spanish associate, is considered one of the most efficient enterprises in the country—so much so that the government approved an exception to the 25 per cent foreign investment limitation, permitting 60 per cent American ownership.

During the past decade, the number of phones has increased from 400,000 to 1,004,000, but Spain cannot spare enough dollars to import equipment to keep abreast of the demand.

The Spanish workday begins late and ends late, driving many newcomers to distraction. The boss doesn't show up in the office until 10:30 or 11 o'clock. Early-bird Americans who put in calls before that time frequently can't even reach the boss's secretary. When a visiting American journalist tried to put in a nine a.m. call on arriving in Spain, the hotel telephone operator was kind enough to tip him off. The whole morning was gone before he could make a six o'clock appointment for that afternoon.

The time Spanish businessmen spend in the office has become the subject of numerous jokes. A recent cartoon shows a man being met at the door of an office by the janitor.

"Doesn't the office work in the afternoon?" the man asks.

"No," replies the janitor. "In the afternoon the employees do not come to the office. It is in the morning that they do not work."

The boss works until two o'clock when he knocks off for the siesta. First, preluncheon cocktails until three, then lunch with a wine, and home for a snooze. He returns to the office about five and frequently works until 7:30, 8:00 or 9:00 before going out for cocktails, dinner and perhaps the theater.

"When I first came here," says an American importer, "this timetable bothered me. But when I got to figuring it out and considered that the evening routine was part of the workday, the boss really puts in about as many hours on the job as his opposite in the United States.

"Pretty soon I adjusted my ways to theirs, and soon found myself less argumentative, more relaxed and, in short, more *simpatico*. I even thought of trying the system when I returned to the States. But having



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"That's one of the beauties of traveling by Pullman. It's not only the finest, safest, surest, most comfortable and dependable form of transportation—it's a *hotel on wheels!*"

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"Me? I just *relax!* I don't know anywhere that I can shed tension and worry better than in a Pullman. I figure that's important to me—and my job and family. Next day, I'm ready for work *refreshed and rested!* Believe me, I've said good-bye to highway traffic hazards and weather worries for good!"



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Every time you seal a package with Istitix Printed Tape you are advertising. On the street, in shops, restaurants and busses — wherever customers go after leaving your store—Istitix Printed Tape promotes your business.

Think of it — *thousands* of impressions in every roll of Istitix. Any merchant can afford this low-cost method of advertising. And Nashua not only will create a distinctive, eye-catching design for you without charge, but also makes the machine for dispensing the Istitix Printed Tape.

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**SPAIN** *continued*

already tilted with the windmills in Spain, I wasn't going to play Don Quixote again."

The traditional Spanish *mañana* spirit exasperates some American businessmen at first. They are inclined to blame this do-it-tomorrow attitude for delays that are really due to other causes. For example, work on the huge Torrejon air base near Madrid was lagging six to nine months behind schedule this spring —but not because of *mañana*. First, contract letting was retarded by complications that grew out of the fact that Spain and the United States were isolated economically from each other for so many years. Then there was a time lag in assembling equipment, some of which had to be transferred from Moroccan air base work. It took time to assemble and train Spaniards to operate the equipment, but after they learn, Spanish bulldozer operators move as much earth as an American.

Finally, the heavy earth-moving machinery bogged down in the mud during the rainy winter season. After a downpour, the earth had to dry six or eight days, whereas in most places the earth can be worked in one or two days.

Incidentally, the Spaniards say that Americans are worse procrastinators than they, that we put off things not merely until *mañana* but until next week.

"Let's get together next week . . . I'll give you a ring next week. . . I'm sorry but I'm all tied up until next week."

There is some evidence that American hustle has quickened the tempo of Spanish business life. For instance, work on the spectacular industrial complex near Cartagena, involving production of electric power, oil from shale, gasoline and nitrogen, is as much as two months ahead of schedule. And now, the U. S. Air Force says that the air base construction program, which lagged at the beginning, has caught up with schedule and will be finished on time in 1957.

Americans just arriving in Spain are baffled by the complex economic system.

Spanish Falangists label their economy "a system of private enterprise—in general."

This "in general" covers a multitude of exceptions. The bald fact is that the Spanish government has its fingers in virtually every type of enterprise—transportation, mining,

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and manufacture. The government even gets into the tourist business, and, through the handicraft syndicate, controls the manufacture and sale of the typical Spanish items found on souvenir counters.

The theory is that enterprise is private up to a point. The state may step in "for the common welfare," as Generalissimo Francisco Franco, the country's chief executive, terms it.

The government operates primarily through the *Instituto Nacional de Industria* (INI) which is described as an official organization established by the Spanish government to boost industrialization of the country, collaborating to the fullest extent possible with private enterprise. Through INI and the exercise of other government functions, we arrive at a sort of club sandwich economy where private enterprise and public endeavor are interlarded to a baffling degree.

"You don't know whether to begin with business or with government," says one American. "I have found it best to start at both ends simultaneously."

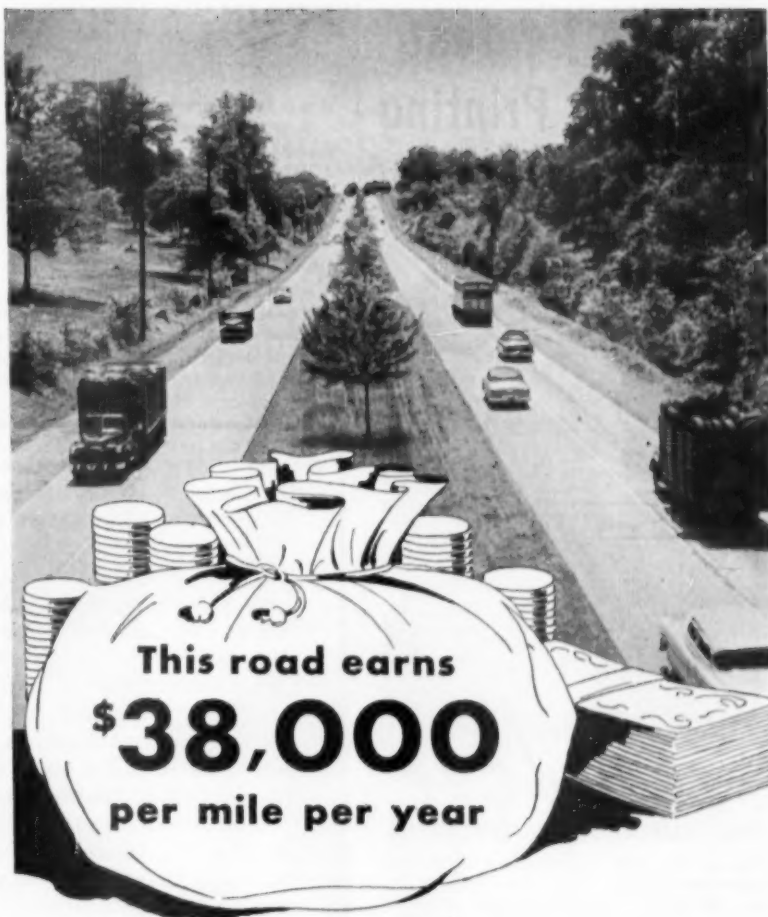
Consider the Cartagena industrial complex. Hydroelectric Española (private) is installing three new steam generating units. The units are being installed by General Electric International (private: Spanish-American), thanks to Spanish government assistance made possible with dollars provided by an agreement with the U. S. A privately owned pipeline will bring in fuel for the power plant from a nearby (government) refinery, in which Caltex (an American firm) has an interest. The refinery (INI's) extracts oil from shale. All sorts of American machinery are strewn around the Cartagena countryside. All equipment for the power plant will come from the United States, except for the transformers which are being manufactured by GE's Española plant near Bilbao. In the shale mine will be found hoists, coal pulverizers and miners' headlamps made in U. S. A.

What are the opportunities for American investment and business in Spain?

Mannie Caragol, executive secretary of the influential American Chamber of Commerce in Spain, with headquarters in Barcelona, reflects the view of many in business.

"We live on hope for the future," he says.

Richard Ford, a retired U. S. Foreign Service officer who is the new president of the organization, says: "Spain is a good place to retire, because the cost of living is still about the lowest in western Europe. But



A road earning money? Absolutely—in the form of gas taxes and license fees you pay to drive on it. The more vehicle miles of traffic a road handles the more money it earns.

This concrete road is U. S. 41 near Nashville, Tenn. The section shown carries a daily average of 14,800 vehicles.

Number of vehicles traveling this road per day	14,800
Times average vehicle tax per mile in Tennessee	\$ .007
Equals earnings per day per mile	\$103.60
Times number of days in a year	365
Equals annual earnings of this road per mile	\$37,814
Minus annual cost to build and maintain such a road during its lifetime	\$10,000
Equals annual net profit this road earns per mile	\$27,814

Concrete roads are the biggest money-makers because they attract the most traffic and have the longest life and lowest annual cost. Other pavements often fail to earn their building and maintenance cost. This drain on available funds leaves less and less for new construction.

To motorists, who pay for highways, this is an important reason why all main roads should be paved with concrete.

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## SPAIN *continued*

it's a hard place to make money."

A general complaint is that favoritism is widely practiced.

"It is not so much what you have to sell or what you can do," one American says, "but who you are and how you stand in with the regime."

Another complaint is aimed at Spanish monopolies. Thus the September, 1953, agreement included a general undertaking to "discourage cartel and monopolistic business ar-

his cut. It eats you out of house and home."

Since the *Norteamericano* is always presumed to be the wealthiest of all creatures, he is considered fair game. Old-line American firms frown on commissions. Their usual practice is to recruit the talents and influence of Spaniards by naming them to the board of directors.

Americans who want to export Spanish products complain that craftsmen do not cater sufficiently to the American market. Instead of lining handbags and luggage of that unsurpassed Moroccan leather with silk or attractive synthetics, for ex-

The American Chamber of Commerce in Spain (Camara de Comercio Americana en España) with its 3,500 members is one of the largest chambers of commerce in the world outside of the United States. It is a member of the Chamber of Commerce of the United States.

It is also one of the oldest American Chambers of Commerce established in a foreign country. It has operated continuously since 1917, even through the Spanish Civil War when few members were able to pay their dues.

It is composed largely of Spanish citizens with American connections and Americans living in Spain. Headquarters are at Rambla Estudios, 1, Barcelona (1) Spain, with offices in Bilbao, Madrid, New York, Sevilla, and Valencia.

The Chamber publishes circulars and bulletins, as well as "Spanish-American Trade" and its supplements, to keep members "informed of what is going on in this land of unsuspected opportunities."

Another lively organization in Spain is the three-year-old American Club of Madrid.

It is purely a social luncheon club, meeting the first Tuesday of each month at the Castellana-Hilton Hotel. President is George Train, who negotiated the economic agreement with Spain and is now in private business. Prominent Spaniards are associates of the club.

rangements which result in restricting production and increasing prices, or which curtail international trade." Little has been done to stimulate competition and ease trade restrictions, American business leaders say.

Another American complaint is governmental red tape, especially in the issuance of import licenses. There are mountains of forms to fill out, and much delay in getting a decision.

The Spanish commission system causes many American squawks. In the Far East, it would be called "cumshaw" and in the States "five percenting."

"If it could just be limited to five per cent, it wouldn't be so bad," one American said. "But they try to get more. Every Spaniard who has anything to do with a proposition wants

ample, they do shoddy finishing work that cannot compete with American, French or Italian leatherwork on the American market.

Spanish craftsmen are inclined to follow traditional designs—bull fight scenes, Don Quixote porcelain, castanets, etc.—instead of giving full rein to their originality, imagination and creative genius. The result is a flood of stereotyped designs and products.

Of course, everybody kicks about taxes, but Americans in Spain have a special kick against a new tax slated to go into effect the first of next year. This tax will make it almost impossible for an American businessman to own a car in Spain because the tax will take into account evidence of income. Ownership of a car will raise income tax

rates to an almost impossible point.

Mr. Klein, for nine years president of the American Chamber of Commerce in Spain, considers his shiny 1931 Packard sedan.

"It runs like a top," he said, "but I'll have to get rid of it because it will be evidence of income that I don't receive. It will end up in a junk yard, or, more likely, as a Madrid taxicab."

One formidable drawback in doing business involves the exchange rate. Spain now has five different rates of exchange for exported products, which are divided into five commodity groups. The rate varies from 23.605 pesetas to the dollar for products in class I to 37.245 pesetas for products in class D. To complicate matters further, the government constantly juggles specific products from one class to another. As a result, it is frequently difficult for producers and foreign buyers to know at what price they can obtain Spanish products.

Nevertheless, Spanish officials are optimistic about the future of Spanish-American business. General Franco sees "a very vast field of collaboration." Both he and the Spanish ambassador in Washington, Don Jose Maria de Areilza, Count of Motrico, emphasize Spain's need and hope for long-term investment by Americans. The ambassador promises healthy returns.

The Count is especially enthusiastic about the prospect of discovering vast oil fields in the Iberian Peninsula. What is needed is a comprehensive prospecting of all Spain, which he hopes American oil companies will undertake. He is encouraged by recent oil discoveries in southern France and by three small drillings in Spain by associates of Esso, Caltex and some Texas oil interests. However, American observers, both official and private, doubt that there will be any large in-

**OTHER** recent NATION'S BUSINESS articles on opportunities for U. S. business abroad include:

U. S. Business Finds New Frontier (Australia) September, 1954

Canada—World's Fastest Growing Economy November, 1954

Foreign Road Boom Builds World's Wealth February, 1955

Keep Out! Japan Tells U. S. Investors April, 1955

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flux of American capital for oil prospecting at this time. The following observations have a bearing on the present and future of Spanish and American business relations:

1. Spaniards are eager to cooperate with Americans to make the current military-economic program a success. They are redoubling their efforts to overcome antiquated habits (like *mañana*). Already they have made some advances in relaxing restrictive laws and regulations to speed the program, and they promise, with a ring of sincerity, to do even better in the future. Sometimes they don't seem to know quite how to go about it.

2. Spaniards appreciate the fact that America was the first of the major powers to give Spain a break. America was discovered under Spanish auspices, and today millions of Americans proudly boast of their Spanish blood. Spanish customs have left their imprint upon us—for instance, community property laws in some states.

3. Americans are impressed by the depth of anticommunist feeling among the Spanish. Spain, the first nation to combat communist aggression, considers the present aid program not only a realization of Spain's strategic location in the world struggle, but as a long-overdue recognition of her pioneering resistance to the Red menace. Spain glories in the role of the vindicated.

4. All sentiment aside, the sheer expenditure of approximately \$500,000,000 should revitalize Spain's anemic economy. That represents a vast public works program for a country of only 30,000,000 people, and Spanish-American business is bound to prosper in the long run as a result.

5. Finally, Americans are impressed with the power of the dollar in cementing international friendship. The gilt ceiling of the bar at the Palace Hotel is tarnished but it still reflects a distinct, friendly, golden glow in the eyes of both the Spaniards and Americans who relax below. END

## BUSINESSMEN SAY (Continued from page 13)

"Labor builds political power; merged AFL and CIO will concentrate on organizing 30,000,000 non-union workers... a drive for favorable laws is an essential part of this effort."

Utah Legislative Council  
Salt Lake City, Utah

### Fair trade

Stanley N. Barnes, Assistant Attorney General, in the July issue gives the Fair Trade McGuire bill a blow below the belt by favoring repeal because it is "... in conflict with one of the fundamental concepts of antitrust enforcement... no one should fix prices." Fair Trade laws afford the small businessman some protection against the cutthroat price-cutting tactics which forced many small retailers out of business.

What your businessmen readers should know about Fair Trade is that it guarantees a merchant a minimum price, which in many instances is below his usual gross profit on many items on his shelves. This minimum merely gives him a fighting chance to compete for business. It prevents his big competitors from cutting prices for a short time until the little man is forced out of business.

Thirty years ago my father opened up a business; his competitors slashed prices until he was forced to close. Two years ago I opened up my own business; I am

still in business because my competitors cannot employ cutthroat tactics to force me out of business. All they can offer the community is better service, neater stores, better salesmen, etc.

ADAM J. WOLKOVICH  
Hudson Pharmacy  
Hudson, Mass.

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Your article "Unions Buy Blue Chip Stocks" on page 46 in the July issue is of much general interest. Can you supply us with 150 reprints?

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CHARLES S. WILLIAMS,  
Associate Editor  
Investment Dealers' Digest  
New York, N.Y.

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## RUSSIA

(continued from page 53)

keep trading staffs all over the free world.

2. The Soviet bloc hides its economic activities. Discussion of markets and prospects, except by top officials, is banned by law. The bloc countries do not publish facts on trade opportunities to guide the foreign businessman.

This veil was slightly lifted last fall when Russia gave the UN statistical office figures on its trade with West Europe.

3. Because of the central bureaucratic control, the Soviet Ministry of Trade can manipulate the price asked or offered to discourage a purchase or sale in which the Government loses interest. The Ministry can omit items it does not wish to offer in particular markets, and make quick changes.

4. When a communist government buys in the free world, the purchase cost is likely to have no relation to the price for which these goods are sold in the East. As an example, butter that Russia bought in the world market for 45 cents a pound is sold for \$3 in state stores; oranges imported at 2½ cents each are sold at \$1.25 each; sugar bought at three or four cents a pound costs \$1 a pound on the shelf of a state store.

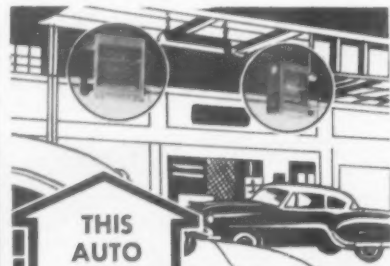
5. The Soviet government is likely to be a one-shot buyer. Stalin told Col. Hugh Cooper, who built the Dnieper hydroelectric project, "Our purpose is to make the dam a school for the training of our own corps of workers to go out and build others." This pattern is shown by Russian buying of American farm machinery in the New Economic Policy era. The volume was of a value of \$41,902,000 in 1930 and \$37,887,000 in 1931, down to \$12,000 in 1934. The machines were bought as models and copied.

The USSR and its satellites do not respect free-world patents.

The president of the Federation of British Industries puts the problems of doing business with Russia today like this:

"Few, if any, of us would put down an expensive new plant or building to cater for trade with countries where initial orders may never be repeated, regardless of the price, regardless of the value we may offer, but simply on political grounds."

Russia's tendency to use its foreign purchases as a political measure and the erratic curve of her trade rela-



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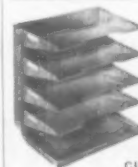
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tions are a matter of record. Finnish prefab housing manufacturers expanded to serve a five-year contract with Russia. The deal was for 600,000 square meters of prefab housing a year. Last January, after a political tiff between the countries, the 1955 quota was cut back to 250,000 meters.

Australia and Mexico had uneven and, as yet, unexplained trade experiences with Russia. Soviet purchases in Australia totaled \$700,000 in 1947, rose to \$31,000,000 in 1949, dropped to \$25,000 in 1952, and climbed again to more than \$31,000,000 last year.

In 1948, Russia moved into Mexico to buy \$10,000,000 worth of henequen fiber. The next year the order was cut in half; then it dropped to nothing.

6. The poor quality of many Soviet bloc products is notorious, and admitted in angry speeches by Russian high officials to the home audience. A case in point is a truck bought in East Germany.

The buyers sought to have the contract canceled and complained to the court:

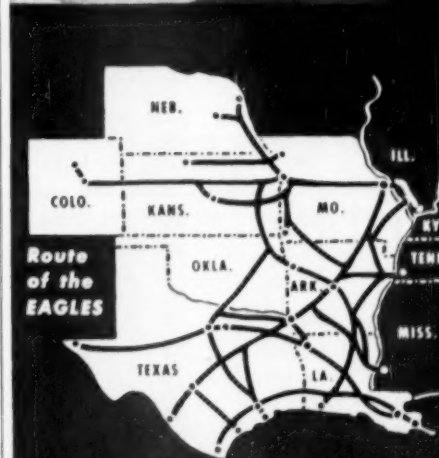
"The truck was in use from 13 February to 2 April 1954 when the gear box broke and as no replacement parts were available, the purchasers have not since been able to use the truck. Three days after the truck was purchased the relay was broken and the charge warning light showed whatever it pleased. The relay caught fire and threatened to set the whole truck afire. The relay was replaced but then the dynamo burned.

"The steering mechanism was broken a little later. The gear box was broken the first time. The gauges ceased working; the lights worked badly. The tires fell apart since they were made of old, probably wartime, tires by recapping. The handbrake broke. Both windshield wiper motors burned out. From one side all the wheel bolts broke off and the overload spring brackets broke one after the other. The chassis of the truck was bent badly. On the third working day the dumping equipment became unoperational. The capacity of the load platform was 28 per cent smaller than advertised."

Despite all these problems and past experiences, there is reasonable hope that East-West trade, beneficial to both sides, can be developed slowly but certainly. Washington and Moscow would agree with the late Cordell Hull when that Secretary of State wisely said, "Trade and mingling can be antidotes for war." **END**



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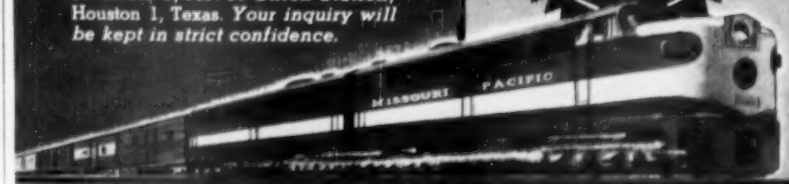
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## CHARITY DRIVES

(continued from page 37)

still obscure, the term United Fund is applied only when the Red Cross participates, as it does now in 383 cities; the term "Extended Federation Campaign," which amounts to the same thing, refers to cities where the local drive does not include the Red Cross but does embrace heart (70 cities), cancer (63 cities), or both together with other nationals.

Despite this duality of names, the United Fund principle has been flourishing. In 1950, it was embodied in only two city campaigns. Today it prevails in 665 of them. They represent 41 per cent of the 1,900 more or less integrated community drives in the U. S. and more than half of the money gathered from such sources. Cities which have adopted the United Fund precept showed an average increase of 20 per cent in receipts in the first year and as much as 155 per cent in some instances. When the Red Cross, heart and cancer all take part, allocations for them have averaged 21 per cent of total income (15.7 to the Red Cross, 3.5 per cent to cancer, 1.8 per cent to heart).

Despite claims by some enthusiasts, the United Fund is not all inclusive. In the nature of things, it would be a practical impossibility to wrap up all U. S. charities in the same package. Moreover, the United Fund is usually concerned only with annual operating budgets.

It rarely assists with capital requirements such as building a new laboratory.

Beyond its scope are educational and cultural activities such as college endowments and symphony orchestras.

Within its limits, however, the United Fund is regarded as singularly valuable by such experienced and tough-minded people as the headquarters staff of the Community Chest and Councils of America. Since the CCC functions as an information clearing house and service organization for its members, it can only consult on the formation of a United Fund, not originate one.

"Nor would we want to do that even if we had the authority," declares J. Dan Benefiel, director of the CCC advisory campaign division. "A United Fund is not something to be initiated from the top down. It should be a grass roots development. Every community has its own personality, its own profile, its own problems. The United Fund is not a uniform mass production product. It has to be custom built to meet the specifications of each city, or town,

or rural era. It should not be tried until there is wide community acceptance for it—until a state of readiness exists."

This state of readiness usually means that community leaders and other volunteers have reached a point of open revolt against being called on to collect money first for one thing and then for another. In almost any locality leadership capability for carrying out such chores tends to run thin. Hence the same people get driven to death by drives—as in the case of Stamford, Connecticut, inherently typical.

Founded in 1641, Stamford is a city of 84,000—45 per cent Protestant, 45 per cent Catholic, ten per cent Jewish. Its 1,200 retail establishments, almost all individually owned, employ 3,100 people and form a variegated shopping center not only for Stamford residents but also for surrounding towns and villages. Stamford's 14,200 industrial workers in 300 shops and plants turn out hardware, postage meters, cos-

metics, ball and roller bearings, X-ray tubes, office equipment, metal stampings, electrical and electronic devices. There also is a growing army of commuters who work in New York City, 30 miles away. This commuting army of financiers, corporation executives, editors, physicians, lawyers, architects and other business and professional people help account for the fact that Stamford's average family buying power is \$7,912, eighth highest in the U. S.

Since World War II, Stamford has had an average of 16 separate campaigns annually for 28 major local, state and national charities, with no letup except for the vacation season of July and August. As early as 1951, volunteers at all levels of responsibility were protesting against being run ragged.

A survey in 1951 to ascertain Stamford opinion on a single super-campaign once a year, as against the series, of one or more a month, revealed that 67 per cent of the sam-

### GUIDE FOR GIVERS

Various United Fund organizations are using the table below to suggest a minimum scale of giving for different income groups.

Weekly Wage	12 Monthly Deductions	Total	Annual Salary	12 Monthly Deductions	Total
\$30.00	\$0.63	\$ 7.56	\$ 4,000	\$ 1.67	\$ 20.04
32.00	.67	8.04	5,000	2.08	24.96
34.00	.71	8.52	6,000	3.00	36.00
36.00	.75	9.00	7,000	4.08	48.96
38.00	.79	9.48	8,000	5.33	63.96
40.00	.83	9.96	9,000	6.75	81.00
42.00	.88	10.56	10,000	8.33	99.96
44.00	.92	11.04	11,000	10.08	120.96
46.00	.96	11.52	12,000	12.00	144.00
48.00	1.00	12.00	13,000	14.08	168.96
50.00	1.04	12.48	14,000	16.33	195.96
52.00	1.08	12.96	15,000	18.75	225.00
54.00	1.13	13.56	16,000	21.33	255.96
56.00	1.17	14.04	17,000	24.08	288.96
58.00	1.21	14.52	18,000	27.00	324.00
60.00	1.25	15.00	19,000	30.08	360.96
62.00	1.29	15.48	20,000	33.33	399.96
64.00	1.33	15.96	Over \$20,000 . . .	2% minimum	
66.00	1.38	16.56			
68.00	1.42	17.04			
70.00	1.46	17.52			

pling favored the former, with 24 per cent opposed. The others didn't know. Yet the subject remained only a conversational staple until mid-1953. Then a group of Stamford businessmen decided that the talk marathon had gone on long enough. This view was reinforced by dissatisfaction with recent performances of the Community Chest which, as its capable, candid director, Russell E. Davis, reported, had not come up to scratch mainly because of the confusion and overlapping produced by too many competing claimants.

Last year at a citizens dinner, representatives of industry, commerce, labor, the clergy, schools, the professions, local health and welfare agencies, agreed that the Chamber of Commerce should explore the United Fund idea. Its then president, John A. Lincoln, tire dealer, had been urging this for some time. In this respect he was typifying the behavior of chamber of commerce personnel in Seattle, Winston-Salem, Oklahoma City, Springfield (Ohio), Providence (R.I.), Montreal, New Haven and Waterbury, and many other cities where the Chamber has been primarily responsible for getting United Fund drives under way.

"Actually," says Mr. Lincoln, stocky, vital, and with a pragmatic turn of mind, "we have been punch drunk trying to keep up with the continuous procession of appeals—you feel you can never turn them down. Until now it all has been on a catch as catch can basis. We hope that our first United Fund drive which starts this October will get some order into things.

"We're trying to look ahead," he continues, "and adjust to the changes and complications brought about by a population that has grown 20 per cent in ten years. We have to make this a good city for all of us to live in. For one thing, we want to take our health and welfare agencies out of the poorhouse. They ought to have enough to pay their directors better salaries—I don't see why they should be financially penalized for their humanitarian zeal. My own dream is a central United Fund building to house all our philanthropies instead of restricting them to inadequate office space and working facilities."

While Mr. Lincoln has been shaping organizational contours, Anthony Anable, recently retired public relations chief of an engineering consultant firm, has assumed a similar function for Stamford's United Fund.

"Motivations for giving," he observes, "are as varied as personality traits. Most people probably give

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"Then there's the broader question of political and economic philosophy. Many of our businessmen in Stamford believe that unless we look after our own effectively and decently, the government will take over. Few of us want that."

When Walter H. Wheeler, Jr., president of Pitney-Bowers, Inc., spoke last June 30 before the Stamford-Greenwich Manufacturers Association, he declared that the "United States government, through its income tax legislation, in effect says to corporations and others in the higher tax brackets 'you take care of the charitable needs of your community and we'll pay half the cost (through income tax deductions) and you can run the show.'"

His message was not lost on Stamford's United Fund. It is stressing the point that the government is inviting the wealthy and well-to-do (of whom Stamford has quite a number) to donate generously; that they can afford to give more than others since advantages to anyone in the high earnings strata accrue on a sliding scale. A gift of \$100 costs the person with a gross income of \$5,000 about \$80; this declines to \$70 at the \$20,000 level, to \$41 at \$50,000, to \$28 at \$100,000. Similarly, a corporation under the 52 per cent federal tax can bestow \$1,000 at a cost of about \$480.

However, the United Fund "is not just concentrating on the financial phase for our more affluent citizens or anyone else," affirms Russell Davis, who recently moved over from the Community Chest to become administrative secretary of the Fund. "We want to broaden the base in two ways—the way people think about the purposes of the United Fund and in the way they give. From the individual's standpoint there is almost always a favorite charity—care for the aged, a hospital, the cure of alcoholism, or youth center. We want to get everyone to realize the interlocking character of all these, to see that they can be equally important when we look at the welfare of the community as a whole."

A veteran with 21 years in the social service field, he thinks that the

United Fund's main job will be to examine scrupulously what actual health and welfare needs are, and how they relate to each other, and then devise a budget that is realistic without being niggardly.

He has already mapped out the geographic setup for money raising. In addition to the over-all chairman and five vice chairmen, there are 20 district supervisors, 200 captains, 2,000 neighborhood solicitors to reach Stamford's 20,000 families.

"We are now involving about one out of four family units," Mr. Davis observes. "We're planning to democratize still further and get one out of three, if we can."

The list of Stamford's United Fund recipients, ranging from the Day Nursery to psychiatric and rehabilitation clinics, to the USO, corresponds almost exactly to the pattern across the country. Of \$302,500,000 raised last year by United Funds and community chests 29.6 per cent went to boys clubs, neighborhood and settlement houses, Boy and Girl Scouts, summer camps, YMCA, YWCA; 14.7 per cent to assistance to families and the handicapped as well as to provide adult vocational guidance, legal aid, and care for the aged; 13.1 per cent to maternity and children's homes, day nurseries and vocational training for youth; 8.5 per cent to the Red Cross, cancer, polio, crippled children, and tuberculosis; 6.8 per cent to improve racial relations, for the USO and other defense services; 7.7 per cent to visiting nurses, clinics, mental hygiene, institutions for convalescents or the chronically ill; 5.1 per cent to hospitals.

Campaign overhead absorbed 4.5 per cent; over-all planning (statistical, research, informational exchanges) 3.2 per cent; year-round administration 2.9 per cent. The remaining 3.9 per cent is comprised of pledges not collected.

This configuration of where the money goes for health and welfare reflects profound changes in U. S. society. The prosperity of the past 16 years has shifted philanthropic emphasis away from the elements of food, shelter, clothing. Today's good works focus less on financial deprivation than upon such problems as, for example, juvenile delinquency.

In 1953, 150,000 youngsters less than 18 years old stole \$100,000,000 worth of automobiles, accounting for 53.6 per cent of all car thefts. The same age group committed 49.3 per cent of all burglaries, 18 per cent of robberies, 16.2 per cent of all rapes. An estimated 350,000 youngsters annually appear in juvenile courts for

everything from shoplifting to marijuana addiction, from peddling pornographic photographs and booklets to assaulting schoolteachers and rolling drunks.

No less exigent are the claims of 1, mental illness—10,000,000 Americans suffer from some form of mental disorder but only 2,500,000 receive any type of treatment; 2, old age—since the century's turn, U. S. population has doubled, but the number of persons more than 65 has quadrupled and many of them find it more difficult to adjust to loss of occupation and sustaining interests than to loss of income; 3, family disruptions—high rates of divorce, separation, desertion, together with 6,000,000 working mothers who have children under 18, condemn countless youngsters to parental neglect.

To meet Stamford's share of these and related needs the United Fund has set a target of \$850,000 for this coming October, or about \$135,000 more than has ever been raised for any comparable undertaking. Sponsors are sure that this goal will be easily reached. They are less sure about the participation of national health organizations, except for the Red Cross, which is cooperating fully. But Stamford's United Fund has been unable to achieve any working arrangement with heart, cancer and others, even though it has offered to set aside a fair and reasonable amount for any such national group that will in turn agree not to stage a separate competitive campaign. So far all such overtures have been rejected. This state of affairs is not unique to Stamford. It is troubling united funds everywhere, as in many places cancer and heart have been disaffiliating.

One explanation for this trend is that, ever since the announcement of the Salk vaccine's successful tests, many professionals have been moving out of the National Foundation for Infantile Paralysis into the American Cancer Society and the American Heart Association. These professionals are convinced that the brilliant accomplishments in polio research and treatment have been largely due to the ability of the NFIP to collect as much as \$65,000,000 in a single year by adhering to a fierce independence in money raising, public relations, everything else. They are urging their new allegiances to adopt the same techniques—to refuse to join a United Fund, or other local alignment, and to rescind arrangements which already exist.

United Fund advocates assert that this development can lead only to chaos and conflict with everybody losing out in the long run. **END**

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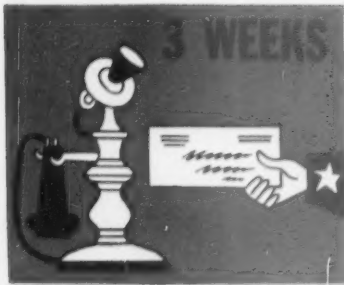
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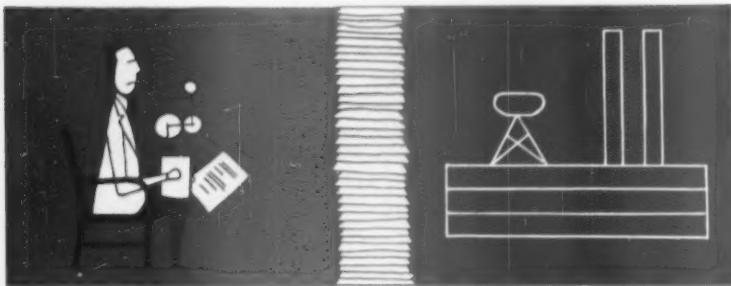
Patent Office has money and program to break tight patent log jam and to speed up rulings for inventors and industry

### DELAY



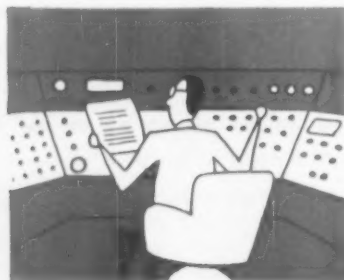
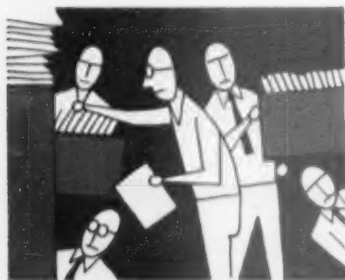
Alexander Graham Bell got his patent on the telephone three weeks after he sent his application to the Patent Office. Recently an inventor waited six and one half years before receiving a patent on a new artificial tooth

### RESULT



Backlog of 220,000 applications delays development of new technical advances which could create more jobs. Conceivably developments important to national defense might be discouraged by this patent roadblock

### PROGRAM



Aided by a \$14,000,000 appropriation, the Patent Office hopes to add examiners, increase pay, reclassify files, install electronic equipment to speed up the search of records, reduce waiting time to about a year

ALEXANDER Graham Bell got his patent on the telephone three weeks after he asked for it. A less fortunate inventor recently obtained a patent on an artificial tooth—but only after waiting six and a half years.

Thomas Edison received his patent on the electric light in less than three months. Not long ago, an inventor had to wait more than five years to get a patent on a barn-cleaning device.

There, in a nutshell, is what has happened to the United States Patent Office under the impact of a growing flood of applications for patents on increasingly complex inventions. Delays in granting patents have become so great that the Patent Office, designed to spur technological progress, has become a roadblock instead.

Alarmed by the critical situation, Congress, under the prodding of inventors, patent lawyers and businessmen, has voted the Patent Office \$2,000,000 more than it had asked for the current fiscal year.

The Patent Office, also alarmed, called in a special committee of scientific experts headed by Dr. Vannevar Bush to pinpoint trouble spots and suggest ways to speed up patent issuances.

Now, with the extra money added to its budget and the Bush committee recommendations before it, the Patent Office has begun a vigorous program of recruiting additional examiners—the men and women who make sure that a patent application actually presents a new and patentable idea. It also is working to develop special electronic brains to take over much of the tedious search work now done by humans. Finally, it is bringing its antiquated system of classifying patents up to date.

Patent Commissioner Robert C. Watson, a long-time patent attorney before taking his present post, says that, thanks to this three-pronged program, within a year his agency will start digging its way out from under the applications which now bury it.

Figures show why drastic action

is necessary. About 75,000 patent applications have been coming in each year and the rate will soon hit 80,000. The 600 examiners on the office's staff before the new recruiting drive started handled about 60,000 cases a year. That meant a steady rise in the backlog of applications. Some 220,000 applications are now awaiting action, compared with 182,650 a little more than two years ago and a prewar figure of about 100,000. The average applicant must wait between three and one half and four years for a decision.

Why is the pile-up bad? Suppose you invent a gadget to take the misery out of shaving. A simple device, but one which no one thought of before. You quickly apply for a patent. Then you wait—three years, four years, maybe longer—while your application works its way to the top of the stack. One patent lawyer reported a recent decision after a 12-year wait.

While you're waiting, you may market your gadget, stamped with a "patent pending" label. But those words will give you no legal protection. They're only a warning that someday you hope to get a patent. Nothing prevents anyone from copying your gadget and selling it, with no payments to you.

This situation doesn't hurt some firms too much. If they have no trouble raising money to go into production on a new device, they can quickly saturate the market themselves before copiers can go into action. But the man who lacks the capital himself—and the uncertainties of the patent situation make it difficult for him to raise it—often grows discouraged and sells his idea for a fraction of what he might have received had he been able to get speedy patent protection.

More important, the long wait for a patent and the financial uncertainties involved often persuade a company or individual that it isn't worth the time and expense to develop an idea into a patentable invention. Then the entire community suffers. New jobs have not been created and new technical advances that help raise the standard of living have not been made.

"The patent system," summarized the Bush committee in its final report, "plays a major part in the creation of new products and processes. These appear every year and stimulate the establishment of new companies to produce them. However, the individual inventor or small businessman is severely handicapped if he must wait several years for his patent or if he must operate for a period of years in uncertainty as to



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## QUICKER PATENTS

*continued*

the possible appearance of a conflicting patent.

"If valid patents cannot be obtained with reasonable dispatch, inventors are discouraged. Yet it is the efforts of inventors that keep our economy flexible."

The patent system dates back to the Constitution. Article I, Section 8, authorizes the issuance of patents to "promote the progress of science and useful arts," and George Washington signed the bill creating the Patent Office in 1790. To date, more than 2,700,000 patents, each good for 17 years, have been issued. The only requirements: The Patent Office must find the idea is really new, does not duplicate any other invention already patented, and has utility. This last is an elastic requirement covering anything from a new type of engine to a device that pushes marbles back and forth to keep the baby amused.

The log jam at the Patent Office can be blamed on five major factors:

**1.** Patent applications have been coming in at an ever faster rate. Commissioner Watson says this is due to the current high level of economic activity.

**2.** The constantly increasing number of already-issued patents which must be studied in connection with each application has made each case more time-consuming. This has been aggravated by the increasing complexity of modern inventions. Mr. Watson makes this clear when he suggests: "Compare the electronic systems of today with the crystal set or spark transmitter of yesterday; the automatic transmissions of the present with the relatively simple gear shift of earlier years; and the oil cracking processes now in use with the simple distillation processes of yesterday." As a result, the average examiner now disposes of only about 95 applications a year, compared to 235 in 1900.

**3.** Examiners were so badly needed to work on processing applications that they were pulled off the important job of patent reclassification. Today patents are grouped into some 300 classes and some 40,000 subclasses. These divisions are the keys used by examiners to thread their way through the 2,700,000 patents on file. In many cases, however, they are hopelessly outdated. Obsolete classes and subclasses make the search job harder.

The value of reclassification is illustrated by the case of an application for a patent on a floating golf

ball. Before patents in this field were regrouped, it would have been necessary for the examiner to study 320 prior patents. After a shake-up of the classifications, it was necessary to look at only five prior patents.

**4.** Budget cuts in recent years forced staff reductions. The Patent Office budget dropped from \$12,219,000 for fiscal 1952 to \$11,500,000 for fiscal 1955. The number of examiners dropped from 720 four years ago to 600 early this year.

**5.** Private firms have been outbidding the government for young men qualified to become patent examiners and have been hiring away examiners almost as fast as they complete their training and become of help in attacking the backlog—in fact, at the rate of about 100 a year.

Aided by a \$14,000,000 appropriation from Congress, the Patent Office is now moving to correct these conditions. If present plans are borne out, by the end of 1956, for the first time in many years, applications will be disposed of at a rate faster than that at which they come in. They will be coming in at the rate of about 80,000 then and will be processed at the rate of 83,000 to 84,000. In later years, the office will reduce its backlog by 5,000 to 10,000 a year and eventually whittle it down to workable size.

The Bush committee pointed the way for one of the new attacks on the backlog when it said that "fortunately, electronic computers have reached a stage of development which makes feasible their application to the complex problem of patent searching."

As a result of the committee's recommendations, an eight-man Patent Office team with \$350,000 at its disposal is now designing an electronic machine to handle the search job.

The machine now visualized would use magnetic tape on which essential information about existing patents would be recorded in code. When a search is to be made, details about the application will be coded and fed into the machine. It will compare them electronically with the taped information on existing patents at the rate of more than 1,000 patents a minute and indicate the numbers of those patents to which the application in question has a direct or general relationship. The examiner then will merely look at the patents indicated.

Initially, the new machine will be used on applications for patents on chemical compounds, particularly drugs. This field is especially well adapted to machine searching, since no drawings are involved and the information can be easily coded. In



fact, a pilot experiment carried on several years ago with much slower punchcard equipment showed that a machine could quickly trace down all the prior related patents that an examiner could find by manual search—and that in almost every case the machine turns up some patents the human search missed.

While designs for this machine are being completed, studies are underway on how to adapt electronic aids to fields other than chemistry. The field of manufacturing processes is considered a likely candidate for early mechanization.

Eventually, the experts hope to have a machine or machines that will provide examiners with instant copies of pertinent patents, rather than just an indication of which patents they should take from the files. This would be done, they say, by using photographic rather than magnetic tape. In addition to coded information on patents, the photographic tape would bear tiny films of the actual patents.

The Bush committee also recommended a step-up in the reclassification process and this recommendation is being followed. The Patent Office plans to add 46 examiners to the 35 now spending full time getting rid of old classifications, starting new ones, and making each class smaller and simpler.

The move which will probably have the biggest immediate effect on the backlog is an intensive recruiting campaign which in the past few months has brought almost 150 new examiners to the Patent Office. This campaign will continue until another 100 are added, bringing the total of examiners up to about 950. The full effect of the extra manpower will be delayed, however, because it takes a year to bring a new man up to full productivity.

Government pay raises and recent rulings by the Civil Service Commission have enabled the Patent Office to meet the problem of competing offers from private industry by raising the starting salaries for new examiners. They start at salaries ranging from \$4,345 to \$4,930—\$700 to \$900 more than a year ago. They can work up to \$8,645 in five or six years.

The Patent Office feels that the current pay scales offer the average bachelor of science graduate about as good a deal as he can get in private industry, and that they will help substantially in recruiting new examiners. Private industry probably will continue to hire away many of the experienced examiners, but this problem will be minimized if the office can continue to attract qualified young men. **END**

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## JOB OUTLOOK

(continued from page 27)



savings of costs in other ways, and so on, all make it possible, it seems to me, to have rising wages, greatly increasing production, more goods, and no substantial increase in the cost of living.

**Some feel that the technology, which you see as holding down costs, will reduce the number of people who are working. How do you feel that automation will affect our working force?**

I think we have every reason to expect that improvements in technology will result in increased employment, higher standards of living and better life for everybody.

I can't tell you just how that's going to come about, because nobody knows exactly what the direction or impact of technological change is going to be over any period. But I think it's fair to say that what we call automation is not different in kind from what has happened before. It may be different in degree, it may come faster; but I am not sure that it changes the basic principle that we have seen in the past: that our economy is flexible enough to adapt itself to technological change, and to come out of it with a better life for everybody. But the problem of facilitating the necessary adjustments is one that we should all be working on.

**How imminent is the problem of automation?**

It is with us now. It has been going on for some time.

Match that up with the fact that employment is at all-time record levels. Put those two facts together and you have got as much of an answer as we can hope to have at this point.

Throughout the economy the dis-

placements that automation causes in one place are taken up some place else. One immediate way they are taken up, of course, is that it takes a great deal of labor to make the automatic machinery; it takes a lot of labor to repair it and service it. That doesn't necessarily account for the entire offset, but the increased volume of production creates more services elsewhere. The more cars you make, the more cars you have to wash, so to speak.

**There has been considerable concern about the impact of another recently developed factor, the guaranteed annual wage. Will you please discuss the possible impact of GAW on employment?**

The type of plan that has actually emerged in the automobile industry is supplementary unemployment compensation. This is quite different from the concept of collecting full pay or something approaching full pay for an entire year-round period.

While the plans are perhaps going to cause some internal personnel problems in the companies involved, I don't think that, in their present form, they are going to have any substantial effect on over-all employment. What the effect would be under other possible variants and in other industries or with other em-

## UNEMPLOYMENT TRENDS

Here is what the unemployment situation looked like in key peacetime, mobilization, wartime and postwar years:

Year	Unemployment annual avg.	Percent of civilian labor force
1929	1,550,000	3.2
1933	12,800,000	24.9
1940	8,100,000	14.6
1944	670,000	1.2
1946	2,270,000	3.9
1949	3,300,000	5.5
1951	1,870,000	3.0
1954	3,230,000	5.0
July, 1955	2,470,000	3.6

Source: U. S. Dept. of Commerce

ployers I could not attempt to say. What this particular plan does is bring unemployment insurance benefits up to somewhat higher levels.

**Do you regard such higher benefits as a good thing?**

We have been talking about what the government has done to stem the course of a business downturn. One of the most important things of a government nature that helps stem a business downturn is adequate unemployment insurance.

That is one of the things that we

have now that we didn't have during earlier periods when business cycles were a threat.

During the 1953-54 period when unemployment increased, something approaching \$2,000,000,000 was poured into the purchasing stream—through unemployment insurance. Two billion dollars is a considerable contribution to the purchasing stream, especially when you remember that it is in the hands of people that obviously are going to spend it, because they are going to spend it on necessities.

**Will some unemployment stem from the new minimum wage?**

I wouldn't want to make predictions about the ability to absorb the increase from 75 cents to \$1 an hour.

Unquestionably there will be some difficult adjustments in some industries, and I think we have to be prepared for that.

**What adjustments will we need to make if, as a result of the Geneva conference, there should be a general easing of cold war tensions and some reductions in military expenditures?**

One thing that should be emphasized is that the prosperity we are enjoying today is a consumer prosperity. It is not a prosperity produced by wartime expenditures. I think there is every reason to suppose that we may expect more prosperity rather than less as a result of any cutting of government expenditures.

We don't have to rely too much on speculation about this because in the year and a half just passed we witnessed a cut of more than \$14,000,000,000 in government expenditures, of which more than \$11,000,000,000 was in military expenditures. At the same time, we got this period of consumer-based prosperity.

I see no reason why that pattern should not continue if it is possible to reduce government expenditures further, accompanied by further tax cuts, accompanied by further release of resources for all manner of civilian production.

Another big element in the prosperity that we have been going through and that we can anticipate to a greater degree when tensions are eased, is the freeing of trade throughout the world and the building up of the purchasing power of a great many areas so that their trade can be increased.

This easing of the international situation will have the direct result of promoting greater international trade. That, I think, augurs well for enhanced prosperity. **END**



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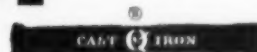
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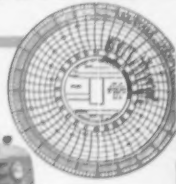
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## WILL YOU SMOKE MY NEW KIND OF PIPE 30 Days at My Risk?

By E. A. CAREY

All I want is your name so I can write and tell you why I'm willing to send you my pipe for 30 days smoking without a cent of risk on your part.

My new pipe is not a new model, not a new style, not a new gadget, not an improvement on old style pipes. It is the first pipe in the world to use an ENTIRELY NEW PRINCIPLE for giving unadulterated pleasure to pipe smokers.

I've been a pipe smoker for 30 years—always looking for the ideal pipe—buying all the disappointing gadgets — never finding a single, solitary pipe that would smoke hour after hour, day after day, without bitterness, bite, or sludge.

With considerable doubt, I decided to work out something for myself. After months of experimenting and scores of disappointments, suddenly, almost by accident, I discovered how to harness four great natural laws to give me everything I wanted in a pipe. It didn't require any "breaking in". From the first puff it smoked cool—it smoked mild. It smoked right down to the last bit of tobacco without bite. It never has to be "rested". AND it never has to be cleaned! Yet it is utterly impossible for goo or sludge to reach your tongue, because my invention dissipates the goo as it forms!

You might expect all this to require a complicated mechanical gadget, but when you see it, the most surprising thing will be that I've done all this in a pipe that looks like any of the finest conventional pipes.



The claims I could make for this new principle in tobacco enjoyment are so spectacular that no pipe smoker would believe them. So, since "seeing is believing", I also say "Smoking is convincing" and I want to send you one Carey pipe to smoke 30 days at my risk. At the end of that time, if you're willing to give up your Carey Pipe, simply break it to bits—and return it to me—the trial has cost you nothing.

Please send me your name today. The coupon or a postal card will do. I'll send you absolutely free my complete trial offer so you can decide for yourself whether or not my pipe-smoking friends are right when they say the Carey Pipe is the greatest smoking invention ever patented. Send your name today. As one pipe smoker to another, I'll guarantee you the surprise of your life, FREE. Write E. A. Carey, 1920 Sunnyside Ave., Dept 9-K, Chicago 40, Illinois

**E. A. CAREY, 1920 Sunnyside Ave.,  
DEPT. 9-K, CHICAGO 40, ILLINOIS**

Please send facts about the Carey Pipe. Then I will decide if I want to try it for 30 Days at YOUR RISK. Everything you send is free. No salesman to call.

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## TRICKS SAVE LIVES

(continued from page 41)

ance industry. These are some of its accomplishments so far:

Plattsburg has reduced crashes 21 per cent and saved \$150,000; 31 cities have installed modern accident reporting systems; 20 police departments are having their officers trained in traffic control techniques; 13 communities have modernized their traffic signs and 15 high-accident traps have been improved.

This is how the engineers have saved lives and property in specific instances:

In Los Angeles, on each of nine streets over which 25,000 cars and trucks traveled daily, a rash of skids and crashes broke out every time rain fell. Over a two-year period, 88 accidents brought one death, 107 injuries and crash costs of about \$33,000.

Traffic engineer R. T. Dorsey realized that repaving the six miles of roads involved was out of the question, so he let his imagination wander. The result: A construction firm was hired to slice one-fourth to one-half inch grooves into the asphalt in the direction of traffic.

Sidewalk superintendents complained, "They're ripping up a beautiful street!" But they weren't. The grooves were filled with concrete.

Two years later, even with traffic volume up 15 per cent, accidents were 59 per cent fewer and injuries had fallen to 27. Roughening the street had cost the city \$5,840. The estimated saving during the next two years alone came to \$20,050.

A similar solution was found for Gary, Ind., where the pavement on an S-curve was too smooth. Traffic engineers had it roughened with air hammers, and skidding crack-ups stopped. Cost: \$34.

These engineers can seem mighty unorthodox at times. One group was studying a congestion and accident problem in Winston-Salem, N. C., where cars clogged the streets around Court House Square and then banged each other up trying to make left turns out of the area. The engineers rejected various proposals, finally reached 3,000 miles across the ocean for an idea. They transposed the traffic lanes on one street so that drivers used the left lane, British style, instead of the right lane. Pretty wild, some residents said at first, but accidents fell 57 per cent and the Court House Square bottleneck was opened up.

Traffic engineers have also added psychology to their technical know-how. In Nebraska, cars were being

smashed up as they turned from rural Nebraska 15 into bustling U. S. 30 through an uncontrolled intersection. Traffic lights were installed that halted cars from both directions, but still the accident rate mounted. When traffic engineers moved in, 32 crashes—11 in one year—had injured 13 motorists.

First the engineers stationed themselves at the intersection and studied drivers' behavior. The average delay, they noticed, was 13.9 seconds, of which 13.3 seconds were due to the red-light signals alone. Then they noticed that drivers approaching at highway speeds of 60 miles an hour and more would not slow down to the posted 25 limit. When they reached the intersection they fidgeted nervously at the red light. Traffic on Nebraska 15 was sporadic and U.S. 30 drivers seemed to be waiting for no reason at all. Some responded by skimming through after the red had flashed, some jumped the green before it appeared and others ignored the signal altogether. Under these conditions, the intersection was producing eight times more accidents than other similar U. S. 30 crossings.

Merging human nature and safety needs, the traffic engineers took out the red-light signals and installed full-stop signs with advance warnings—but only on Nebraska 15. They also raised the speed limit on U. S. 30's approach to the intersection to 35 miles per hour. Result: Drivers did stop, with their average time-wait down to four seconds. Whereas 53 per cent of cars coming into the intersection from both roads had previously been stopped, only 32 per cent (on Nebraska 15) were now affected. The accident incidence in the year after the change fell 91 per cent.

Sometimes the solution to a hazard spot is simple, but not to the untrained eye. At the intersection of Highway 2 and Comber Sideroad near Windsor, Ont., for instance, a mysteriously high serious-accident rate plagued officials. Over a 58 month period, 20 accidents caused six deaths, 15 personal injuries, and more than \$20,000 in property damage despite straight roads and excellent vision. The fact was that the road layout encouraged motorists on Comber Sideroad to try to ram their way through Highway 2 in face of 50-m.p.h. oncoming autos. Full-stop signs didn't halt them. Sometimes they made it but then they forced Highway 2 drivers to lose control of their cars. The total cost of such accidents was figured at \$142,465.

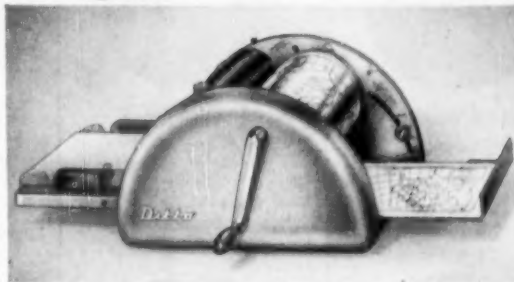
Comber Sideroad users demanded a red-light signal that would halt

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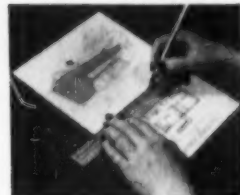
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## SIGNAL RATIONS GREEN LIGHT

Autoists sweating out entrance onto a highway from a side road can look forward to some relief from a traffic light developed by the General Electric Company.

An electronic controller counts cars on a secondary road as they approach a main highway. Then it tips off the traffic signal which turns green just long enough to let all the cars on the side road get across.

Highway 2 drivers at regular intervals. Traffic Engineer Grant A. Bacchus rejected this suggestion, knowing that the side road's traffic volume was only one fifth that of Highway 2, and that misplaced red lights only breed disobedience and disregard for the law.

"Unnecessary stops and unreasonably low speed restrictions are intolerable to a driver and should never be imposed with the false hope that maybe they will help a little bit," says Robert J. Allen, Chief Traffic Engineer of the Association of Casualty & Surety Companies. "They only make drivers more impatient, more disrespectful of all such controls, and more likely to cause accidents."

With this in mind, Engineer Bacchus solved his problem simply by putting a kink into straightaway Comber Sideroad. It had run directly into Highway 2, so he had it curved about 30 degrees, starting about 175 feet before the intersection. This imaginative twist forced Comber drivers to slow down. Once they were slowed down they didn't mind making a full stop. During the year that followed there was one accident, involving a pedestrian.

Cost of the job: \$6,076, or less than a fourth of the savings from crash reduction in the first year alone.

Traffic engineers in big cities see problems foreign to their rural colleagues. In Pittsburgh, it was street cars that ran on tracks along the right-hand lane of a three-lane, one-way street. The trouble came when the trolley route turned left. It cut across the path of automobiles in the other two lanes. Four times in one year autos smashed into the sides of turning trolleys. At other times hundreds of street car passengers were delayed while the motorman waited for a break in the rush of automobiles.

Traffic Engineer A. C. Hough studied the situation, decided a time-interval red light signal would hold

up autos whether a street car was turning or not. He had a signal installed anyway—but he had it hooked up with an actuator imbedded in the trolley track-switch. Only when a street car passed over the switch did the light turn red. It stayed red for 20 seconds, long enough for the trolley car to turn comfortably and be out of the way. Delays were ended and accidents dropped to three over the next five years. The cost was \$455.

These engineers have even solved crash-hazard puzzles by mail. The Association of Casualty & Surety Companies received such a request. Officials of Port Washington, Long Island, were worried about the traffic pattern at the town's high school and wanted preventive help before accidents occurred. They sent maps and sketches that showed how cars rambled through a wide section of a traffic circle near the school's administration building. Traffic ran one way around half the circle, but in both directions around the other half. In addition, a bus stop stood squarely in the center.

The Association's engineers studied the sketches, then sent detailed recommendations. The highlights were a suggestion that traffic be made one way around the entire circle, and that a large striped island be painted into the wide spot, thus creating dead territory for driving purposes. This channelizing of traffic ended drivers' confused wanderings and produced an unexpected by-product, too. It ended congestion around the bus stop. School officials added a dash of driver education. They invited the students to paint the changes onto the pavement themselves. No student driver has yet violated the new traffic pattern.

Those are some of the reasons traffic engineers always look twice, when they hear drivers blamed for accidents, to see if the drivers' faults weren't helped along by road faults that can be corrected.

And most such faults, they have found, can be. **END**



## HIGHWAY RADAR

(continued from page 40)

er. Electronic experts say the equipment is accurate to within less than two miles an hour.

If you are one of the 650,000 drivers stopped by radar over the Labor Day week end, this is about what will happen: Suppose you are heading south on the new Baltimore-Washington parkway. You note a "Speed Checked by Radar" sign but you do not give it much thought until you see a parked police cruiser. Near it on a tripod is a radar set. You slow down but you are too late. Radar has already recorded the evidence.

A radar officer, sitting in the front seat of the cruiser, notes the speed of your car on the speed indicator and by the time you have passed him he has radioed to another police car (police call them catch cars) a half mile ahead.

"Late model Nash—white top, blue bottom—Virginia tags 316474—67 miles an hour—" the radar man says into his mike. Then you see an officer stepping out of the catch car to flag you down.

Police are frequently asked about the case of a group of cars going through the radar beam at the same time. The reply is that the radar set will pick out and record the speed of the fastest moving vehicle. It is up to the officer, who is trained to make such observations, to determine by watching the cars which is speeding.

A few stubborn drivers still try to beat radar. One auto parts dealer did a brisk business marketing an anti-radar gadget which was, of course, worthless. Other tricks include dragging chains behind the car and packing tin foil in hub caps. Motorists have even tried to race past the radar set so fast it would not see them. The only possible way to throw the machine off, according to electronic experts, is to install in your car a transmitter costing about \$1,000.

Looking to the future, police already have experimented with an electronic instrument with a camera attached to photograph licenses of vehicles exceeding the speed limit. The machine registers only the licenses of speeding cars, complete with the speed, and the time and location of the offense. Speed is determined by the time it takes a car to cross two wires three feet apart. A flash attachment permits photographs at night.

Another idea has been tried out on a few of the highways in New Hampshire.

Speeders are surprised when a red sign on the roadside suddenly lights



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This METHOD is NOT spinning, trolling, casting, fly fishing, trot line fishing, set line fishing, hand line fishing, live bait fishing, jugging, netting, trapping, seining, and does not even faintly resemble any of these standard methods of fishing. No live bait or prepared bait is used. You can carry all of the equipment you need in one hand.

The whole method can be learned in twenty minutes—twenty minutes of fascinating reading. All the extra equipment you need, you can buy locally at a cost of less than a dollar. Yet with it, you can come in after an hour or two of the greatest excitement of your life, with a stringer full. Not one or two miserable 12 or 14 inch over-sized keepers—but five or six real beauties with real poundage behind them. The kind that don't need a word of explanation of the professional skill of the man who caught them. Absolutely legal, too—in every state.

This amazing method was developed by a little group of professional fishermen. Though they are public guides, they rarely divulge their method to their patrons. They use it only when fishing for their own tables. It is probable that no man on your waters has ever seen it, ever heard of it, or ever used it. And when you have given it the first trial, you will be as closed-mouthed as a man who has suddenly discovered

a gold mine. Because with this method you can fish within a hundred feet of the best fishermen in the county and pull in ferocious big ones while they come home empty handed. No special skill is required. The method is just as deadly in the hands of a novice as in the hands of an old timer. My method will be disclosed only to those few men in each area who will give me their word of honor not to give the method to anyone else.

Send me your name. Let me tell you how you can try out this deadly method of bringing in big bass from your "fished out" waters. Let me tell you why I let you try out my unusual method without risking a penny of your money on instructions or lures. There is no charge for this information, now or at any other time. Just your name is all I need. But I guarantee that the information I send you will make you a complete skeptic—until once you try it! And then, your own catches will fill you with disbelief. Send your name, today. This will be fun.

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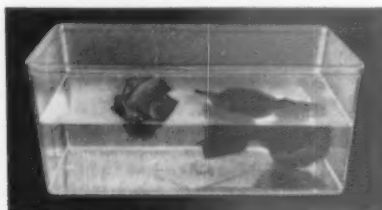
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Shaw-Barton has created exclusive advertising specialties in leather and plastic to help you win this space. Complete details in our new Pocket Plan portfolio. Ask your Shaw-Barton representative for a copy . . . or write Dept. N-95.

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Find out how Mosinee can improve your towel service and save you money. Write today for the name of your distributor.



## HIGHWAY RADAR

*continued*

up, reading: "YOU ARE SPEEDING, SLOW DOWN." Another sign, a huge speedometer on the roadside, indicates the actual speed of the moving car with a large sweep hand. Letters in red lights below the speedometer spell out: THIS IS YOUR SPEED NOW.

In this process, the driver himself actually turns on the sign. A speeding car penetrates invisible radar waves coming from the sign. Bouncing off the moving vehicle, they race back to the sign and trip a switch, turning on the red lights.

New Hampshire authorities also are experimenting with TV for traffic control. With a series of television cameras every three miles, all hooked up to a central control panel, New Hampshire officials predict that one man will be able to monitor 100 miles of highway.

Radar sets licensed for highway use by the Federal Communications Commission are manufactured by one company—the Automatic Signal Division of Eastern Industries, Inc. Formed in 1928 as the Automatic Signal Corporation, the business merged with Eastern Engineering Company in 1946.

Eastern Industries produces vehicle-actuated traffic controls, pumps and hydraulic equipment, pressurization and cooling products for aircraft, and electronic equipment, and mixing and agitating products. Plants are located at New Haven, East Norwalk, and Hamden, Conn., and Newton, Mass.

Total sales have increased every year since the merger, rising from \$1,000,000 for the 1946-47 fiscal year to \$7,700,000 for the fiscal year ending Sept. 30, 1954. Net income last year climbed to \$532,009 from \$297,703 in the previous fiscal year.

The Electro-Matic Speed Meter was developed by an Eastern Industries research engineer. Approximately ten per cent of the firm's business is in the radar speed meters, according to Sales Manager P. L. Green. Sets are sold for approximately \$1,100 each through 30 distributors in the United States and Canada. City police have bought nearly 60 per cent of the sets, while state police, state highway and traffic engineering departments, trucking and insurance companies, and educational institutions have bought the remaining 40 per cent.

Approximately \$1,650,000 has been spent by all these agencies for the purchase of complete sets—radio receivers and transmitters, speed indicators, and graphic recorders. State and city police have spent \$1,102,200, highway departments

\$102,300, and other agencies \$445,500. Among the states, Washington reported the highest budget for "money spent to date for sets for arrests"—\$23,610. Tennessee, Idaho and Texas follow with \$16,000, \$15,600, and \$12,000 respectively.

The majority of the officials questioned in the survey said radar will reduce police expenditures. One police officer explained the saving this way: Suppose a police department with 200 cars for highway patrol decides to replace 100 vehicles with 25 radar sets. Savings would amount to \$259,500. The officer arrived at this figure by subtracting the cost of 25 sets, \$27,500, from the cost of operating 100 patrol cars, \$287,000. The official based his equation of 25 radar sets replacing 100 cars on his experience with the efficiency of the meter.

On a national basis, police feel that expanded use of radar will save taxpayers money not only in smaller police budgets but also in reduced accident costs. An insurance company in Salem, Ore., for example, reports a 20 per cent accident reduction since the city adopted radar. Its records show that in 330 accidents during the first nine-month period of radar, the cost per accident was reduced 32.2 per cent, a saving to the company of \$18,000 over this period. Truck insurance companies are using radar to check the safety performance of drivers. The Farmers Truck Insurance Group has watched more than 500,000 drivers since 1950.

Radar has fared well in the courts. In Idaho, the conviction rate has been 100 per cent since radar went into operation last December. Ohio, Mississippi, Illinois and Connecticut all report nearly 100 per cent convictions. Other states report a 15 to 25 per cent higher conviction rate with radar evidence than with other types of speeding evidence.

The legality of radar, however, is still open to some question because of the scarcity of high court decisions. The New Jersey Supreme Court ruled recently in favor of radar, but it is the only higher court which has considered its legality. Lower courts have regularly ruled that radar readings, like police speedometer calculations, are admissible as evidence.

One of the most frequent arguments presented by defense attorneys is that the use of radar is a form of entrapment. Courts have defined entrapment as "the act of inducing a person to commit a crime not contemplated by him, for the purpose of instituting a criminal prosecution against him." Toledo Municipal Court Judge Geraldine F. Macelwane points out that an officer oper-

ating a radar set is in no way inducing a speeder to violate the law.

While there is comparatively little disagreement about the legality of radar, there is sharp division about the ethics of using it. Judges have warned of the danger that, without safeguards, it might usher in an era of push-button justice. Both the Chicago Motor Club and the Wisconsin Automobile Club have denounced speed meters. The national headquarters of the American Automobile Association is also somewhat leery of the new gadget, pointing out that, in the wrong hands, radar can be an effective tool of persecution. Because it multiplies many-fold the number of cars an officer can stop, the AAA warns it can easily be used as a mass production speed trap.

Besides the fear that radar would be used as a money-maker in certain areas, the AAA has another objection based on its belief that many of the speed limits in the country are unrealistic. Before radar is used for ticketing, says the AAA, there should be a nationwide redetermination of speed laws, many of which are antiquated, arbitrary, and too low. Radar should be used, however, in measuring car speeds during such re-evaluation of speed limits, the AAA says.

In the meantime, the AAA recommends that state legislatures pass model laws governing radar's use. The legislation should include provisions for frequent testing of the equipment for accuracy and for erecting warning signs. All of the

cities and states replying to the questionnaire have rigid rules for testing the sets and half the police departments are required by law to post "Speed Checked by Radar" signs. Many of those departments not required to post signs do so anyway. Signs remind drivers a radar set may be just around the next curve. This reminder, police report, is an effective deterrent to speeding.

If signs are posted where radar is only rarely used, however, police find the warning losing its effectiveness as a deterrent.

On the other hand, it is clear that it will not be necessary to cover all the highways all the time. Many officials foresee the virtual disappearance of speeding with only a limited expansion of radar. Although it has just begun to seep into the consciousness of the driving public, if radar expands as predicted, the new electronic speed meter will become an accepted part of the motorist's life. He will assume that he must keep within the speed limits and will do so by force of habit, police believe.

If such a redetermination of speed limits as the AAA advocates is undertaken on a national scale, and if use of radar continues to increase, the nation will have a good start in solving one of its most serious problems: how to stop killing 35,000 to 40,000 citizens every year. Police officers agree that speed is often the deciding factor in fatal accidents. Radar, by slowing down the nation's drivers, will play a key role in ending slaughter on the highways. **END**

## RADAR IN 48 STATES

Radar speed monitors used by police and highway officials for arrests and testing are licensed by the Federal Communications Commission. They total 1,095 and are in use in the states and U. S. possessions as follows:

Alabama	11	Maryland	23	Oregon	31
Arizona	2	Massachusetts	7	Pennsylvania	9
Arkansas	12	Michigan	32	Rhode Island	3
California	23	Minnesota	27	South Carolina	2
Colorado	26	Mississippi	18	South Dakota	27
Connecticut	15	Missouri	18	Tennessee	36
Delaware	2	Montana	6	Texas	53
Florida	10	Nebraska	16	Utah	5
Georgia	2	Nevada	2	Vermont	2
Idaho	14	New Hampshire	2	Virginia	67
Illinois	67	New Jersey	21	Washington	29
Indiana	23	New Mexico	9	West Virginia	5
Iowa	14	New York	49	Wisconsin	109
Kansas	20	North Carolina	45	Wyoming	1
Kentucky	11	North Dakota	10	Dist. of Columbia	2
Louisiana	4	Ohio	120	Puerto Rico	1
Maine	2	Oklahoma	47	Hawaii	3

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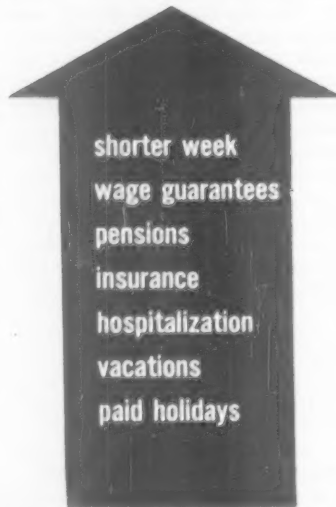
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# FRINGE LABOR COSTS

## WILL RISE

**Shorter workweek next big union goal, but other benefits already granted give hint of what you may expect in your business**



A SHORTER workweek is labor's next long-range objective.

A six-hour day, 30-hour week will be demanded next June when contracts in the basic steel industry come up for renewal. In addition, the United Steelworkers will seek from steel the same supplementary unemployment wage benefits for up to 52 weeks which they won last month from major can companies, as well as improvements in health insurance, holiday pay, vacations and other benefits.

Meanwhile, other significant changes in union contracts are being made right along. Many of these show the trend of union thinking and indicate demands which other employers may face. They include various guarantees and benefits, in addition to general wage increases, adding to the cost of fringe benefits.

Fringe benefit costs paid by employers averaged 34.6 cents an hour, or \$720 a year, per employe in 1953, a survey by the Chamber of Commerce of the United States showed. This was 19.2 per cent of payroll and reflected a rise of one third in six years. Fringe costs are even higher today, and still going up. Several new benefits, overshadow-

ed by the guaranteed wage discussion, were included in the new automobile contracts. Pointing the trend are agreements in these fields:

### WAGE GUARANTEES

**Supplementing state unemployment benefits:** The Ford and General Motors plans, which call for employer contribution of five cents an hour for each employe into a fund for supplementing unemployment compensation up to 26 weeks, have spread to some parts companies.

**Pooling of funds:** Detroit tool and die shops which deal with UAW-CIO are setting up a common fund.

**Weekly guarantee:** Local cartage firms in the central states region guarantee 40 hours pay to 90 per cent of the drivers who are called to work in any week. Smaller weekly guarantees are common in meat-packing plants.

**Call-in pay:** About four fifths of union contracts provide for some guarantee—four hours' pay is most common—to a worker who shows up for work and doesn't work at least four hours, a survey by the U. S. Bureau of Labor Statistics shows.

This is less prevalent in nonmanufacturing industries.

### PENSIONS

**Size:** The amount of monthly pension, around \$100 when pensions began to take hold in 1949, has increased remarkably in the past two years. Pension plans in union contracts surveyed by the Bureau of National Affairs, Inc., show three fifths providing pensions of at least \$150, with two fifths of them going as high as \$160, including social security. The Ford and General Motors contracts enable a retired worker with 30 years employment to receive a pension of \$188.50, or \$198.50 after 40 years. The companies lifted the 30-year limit on length of service credit.

**Vesting:** Until the automobile settlements, few workers had a vested right in a pension if they left the company's employment before retirement. Less than five per cent of negotiated pension plans provided for vesting. Now any Ford or General Motors employe who is 40 or older and who has ten years of pension credits, will, if he leaves the payroll before he is 60, receive a vested pension right for years worked after age 30. At 65 he will receive a monthly pension from Ford or General Motors amounting to \$2.25 for each year he worked for the company after age 30. For each year worked from 60 to 65, he will receive a pension credit of \$4.50.

Small employers in Toledo who bargain with UAW-CIO have a vested plan under which workers can shift from one employer to another without losing pension rights.

**Disability pensions:** Ford and General Motors dropped the requirement that an employe totally and permanently disabled must be 50 years old to receive a disability pension. They also increased monthly pension credit from \$3 to \$4.50 for each year of employment. The disabled employe still must have been employed by the company at least 15 years. The Cincinnati Transit Company provides a pension of \$70 to disabled employes after age 45 and after 20 years of employment. U. S. Rubber Company has raised minimum disability pensions from \$60 to \$80 a month.

**Separation from social security:** The pattern of negotiated pension plans has been to provide a specific amount of pension, including social security payments, such as the previous \$125 a month at Ford. Ford and General Motors pension formulas are now computed without regard for social security. That has always been the case with coal miners' pen-

sions, which are \$100 plus social security.

**Financing:** Ninety per cent of the pension plans surveyed by B. N. A. are wholly employer financed. In the remaining ten per cent, the cost is shared in varying degrees by employer and employee.

### INSURANCE BENEFITS

Generally, the trend has been toward more types of medical care benefits and in larger amounts.

**Life insurance:** General Motors has raised the minimum life insurance for hourly workers from \$2,500 to \$3,500 and the maximum from \$5,000 to \$7,500.

Ford went to a maximum of \$6,400. U. S. Rubber has gone to \$4,500, Lockheed to \$5,000. Half the policies surveyed by B. N. A. provide \$3,000 or more insurance. In two years, the number providing \$2,000 insurance has risen from 60 to 75 per cent.

**Hospitalization:** At least 60 per cent of the plans, according to B. N. A., give hospitalization benefits of \$10 or more a day, compared with only 25 per cent two years ago. Douglas Aircraft's plan allows \$14 a day plus \$600 for other in-hospital expenses. Duration of hospitalization benefits is usually 70 days, while 31 days was the common practice previously. Atlantic City Electric Co.'s plan allows \$15 a day for a year.

**Hospital extras:** More of the hospital extras are being covered. These include X-rays, laboratory fees, blood transfusions, basal metabolism tests, electrocardiograms, drugs and other costs. Most plans have a specific dollar allowance, but more than a fourth provide for unlimited payments for specified extras. Two of these are plans of U. S. Rubber and the Electric Storage Battery Co. A recent development is coinsurance of hospital extras, with the company paying the first \$120 to \$300 and a percentage, often 75 per cent, of the next \$1,000 to \$4,000.

**Surgical insurance:** The frequency of surgical insurance plans in union contracts has more than quadrupled since 1950, according to B. N. A., mostly in manufacturing industries.

These usually provide a schedule of allowances for certain operations, with a maximum benefit of \$200 most common. ALCOA has a maximum of \$225, Midwest Rubber Reclaiming Co., \$250.

**Catastrophe insurance:** Major medical insurance coverage is new and appears in less than one per cent of union contracts. It usually

covers costs in excess of either basic insurance benefits or an arbitrary deductible figure on a coinsurance basis up to \$5,000. General Electric is instituting alternate plans which cover up to \$5,000 or \$7,500 for a single medical expense and \$10,000 or \$15,000 for a lifetime.

**Polio insurance:** This is three times as prevalent as catastrophe insurance. In amounts up to \$5,000, polio insurance is found in three per cent of union contracts, including Douglas Aircraft's.

**Dependent coverage:** About one fourth of the insurance plans provide for coverage of dependents, about one sixth of them requiring the employe to pay the extra cost. In less than half the employer pays the cost, and in about two fifths the cost is shared.

**Financing:** Unlike pension plans, which are mostly employer financed under union contracts, the practice has been—and continues—for employes to share the cost of health insurance, usually on a 50-50 basis. Recently, however, employers have been paying a larger and larger share of the cost, usually through the addition of benefits without additional cost to the employe. Food Fair Stores is paying the full cost of Blue Cross hospitalization and Blue Shield medical care for both employes and their dependents.

### VACATIONS

The trend is toward longer paid vacations and after shorter service. During the war a pattern of one week's vacation after one year and two weeks after five became prevalent. This pattern still predominates, but a growing number of unions are getting contracts with a week's vacation after six months instead of a year; two weeks after one year instead of five. Also, many contracts now provide for vacations of three and four weeks for long-service employes. Three-week vacations have more than doubled in frequency over the past three years, from 25 to 54 per cent of union contracts. Unions are aiming for vacations of three weeks after ten years, instead of 15, and four weeks after 20, instead of 25.

The Ford and General Motors contracts now give two and a half weeks after ten years in addition to continuing the past schedule of one week after one year, one and a half weeks after three years, two weeks after five years and three weeks after 15 years. U. S. Rubber Co. gives two weeks' vacation after five years, an additional day for each year over ten up to three weeks after 15 years. Local and long-distance truckers in



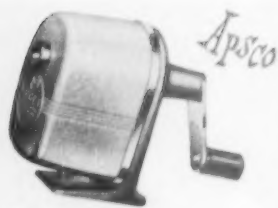
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the Central States region give four weeks after 20 years.

In three years the prevalence of paid vacations in union contracts increased from 90 to 98 per cent. They are less common in the construction industry—only one fourth of the contracts have them—because of the hiring arrangements peculiar to the industry.

### PAID HOLIDAYS

Ninety-three per cent of union contracts now provide holidays with pay compared to 80 per cent in 1950 and 70 per cent in 1948.

There is a strong trend from six paid holidays, which developed during the war, to seven. Fifty-four per cent of contracts provide six paid holidays, 21 per cent provide seven, nine per cent give eight, four per cent give nine, and two per cent give more than nine.

The six paid holidays usually are Christmas, New Year's Day, Memorial Day, Fourth of July, Labor Day and Thanksgiving Day. Most popular choice for a seventh holiday is Washington's Birthday. Western Electric gives election day off with pay. Union leaders show a growing interest in election day off as an aid to their political activity.

Employees of Pacific Power & Light Co. get birthdays off with pay. The anniversary date of employment is a day off with pay for workers at Standard Knapp Division of Emhart Manufacturing Co. Some employers prefer holidays such as these, which are spread out over the year, because they do not require suspension of production or service.

Seven holidays with pay are most prevalent in petroleum, electrical products, chemicals, communications and utilities. B. N. A. found. The recent Ford and General Motors settlement split the seventh holiday into two half holidays—Christmas Eve and New Year's Eve.

Triple pay for work on a holiday has been introduced in the automobile industry by Ford and General Motors. It is common in the rubber industry.

Prevailing practice has been double time.

General Motors has also started to pay time and a half pay for work on Saturdays, whether or not it is overtime work. This practice has been fairly common in other manufacturing industries.

### SHIFT DIFFERENTIALS

Premium pay for night work is increasing. Common differentials used to be four and six cents or five and ten cents an hour for second and third shifts, respectively. The practice in the automobile industry has

been five and 7.5 per cent. General Motors has increased the third shift premium to ten per cent.

### LEAVE WITH PAY

**Sick leave:** Paid sick leave is not as common in union contracts as it once was, probably due to the increased handling of the sickness problem through sickness and accident benefits in health insurance plans. It is found in 16 per cent of union contracts, more frequently in nonmanufacturing than in manufacturing industries. The minimum usually is five days a year. The majority provide more.

**Funeral leave:** BLS found 12 per cent of union contracts it surveyed providing leave with pay for funerals in the family. The AFL Research Department found that three fourths of the contracts allow three days leave. Food Fair Stores gives three days with pay.

AFL researchers say that paid time off for various personal needs is appearing in union contracts with increasing frequency. Probably more than one third of the contracts, they say, give time off with pay for one or more personal reasons, including family emergencies, civic or government responsibilities, and miscellaneous personal needs.

### SHORTER WORKWEEK

In industries not covered by the 40-hour week provision of the federal wage-hour law, the trend is toward that limit. In others, it is toward less than 40 hours.

The trucking industry is gradually reducing to 40 hours. More wholesalers and retailers are cutting weekly hours to around 40, too. The Great Atlantic & Pacific Tea Co.'s recent contract provides for a reduction of hours from 45 to 40 next year.

Workweeks of less than 40 hours are common in the rubber, printing and clothing industries. In Akron, rubber workers have been on a six-hour day, 36-hour week since the 1930's.

In printing and publishing, 90 per cent of the union craftsmen in 53 large cities work on schedules of less than 40 hours, according to a BLS survey. Average: 37.1 hours.

In men's clothing, the Amalgamated Clothing Workers has a 36-hour week in most of its contracts. In ladies' apparel, the International Ladies' Garment Workers has moved toward a 35-hour week in the past two years. More than 80 per cent of its 437,000 members are on the shorter workweek or will be before the contracts they work under expire, according to the AFL Research Department. **END**

# Tax plan affects retirement . . . Aerial maps

help local tax collectors . . . New building floats on water, swings with the sun . . . Poor roads are costing \$5,300,000,000

## Congress considering new plan



Tax relief may come next year to persons who want to save money for retirement.

Under present law, company contributions to retirement funds are business expenses and are not taxed. Individuals, however, pay taxes on income set aside for old age and retirement.

This discrimination against self-employed persons and persons not covered by company pension programs is being recognized by an increasing number of congressmen. Millions of persons would benefit by changes in the tax law.

Proposals already made to Congress would allow annual tax deductions for income put aside by individuals for retirement. Tax payments would be postponed until the individual reaches age 65 and begins to draw from his retirement fund.

The House Ways and Means Committee has approved a proposal by Rep. Eugene J. Keogh, Democrat, of New York, that would permit annual deductions up to ten per cent of a person's income, or \$5,000, whichever is smaller. Persons 55 or older could deduct more for private pension funds, with a top limitation of \$100,000 for any person's lifetime contribution.

Large withdrawals made after retirement would be subject to capital gains taxes. Regular withdrawals would be taxed at regular rates.

Republican Rep. Thomas A. Jenkins, of Ohio, has proposed a similar measure.

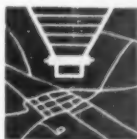
Another, proposed by Rep. John H. Ray and ten other congressmen, would permit self-employed persons to make deductions from income for retirement. This bill also would allow smaller deductions to be made by persons now covered under pension plans but who wish to save additional amounts for old age.

Treasury Secretary George M.

Humphrey admits that the law discriminates against self-employed persons, but he opposes the proposals on the ground of revenue losses. An assistant, Laurens Williams, estimates the loss could be as high as \$3,400,000,000, or as low as \$90,000,000, depending on the nature of the law as finally passed and depending on how many persons would take advantage of it.

Congress may approve a measure of this kind when the majority of the members are convinced that taxes can be lowered. That could happen in 1956.

## Aerial maps close tax loopholes



The Cook County Assessor's Office in Chicago has tapped a rich new source of tax revenue by having aerial maps made of its 30 town-

ships and checking the maps against the county's property records.

Partial results of the first township survey—that involving Northfield—indicate that the county has been losing out on the tax value of many buildings constructed in recent years.

As Chief Deputy Assessor Edward M. Sieja explains it, Cook County bases its real estate taxes on the assessed valuation of buildings. To determine the valuation of each building, representatives of the assessor's office must first collect the permit issued for its construction. The collection system has broken down over the years, due to negligence, slowness, and other factors. As a result many buildings have never been recorded for tax purposes.

"In going over the first small section of the Northfield aerial map," Mr. Sieja relates, "we found six garages and several other buildings which did not appear in county records. There is every reason to believe that our detailed, township-by-township check will yield thousands—perhaps even millions—of dollars in

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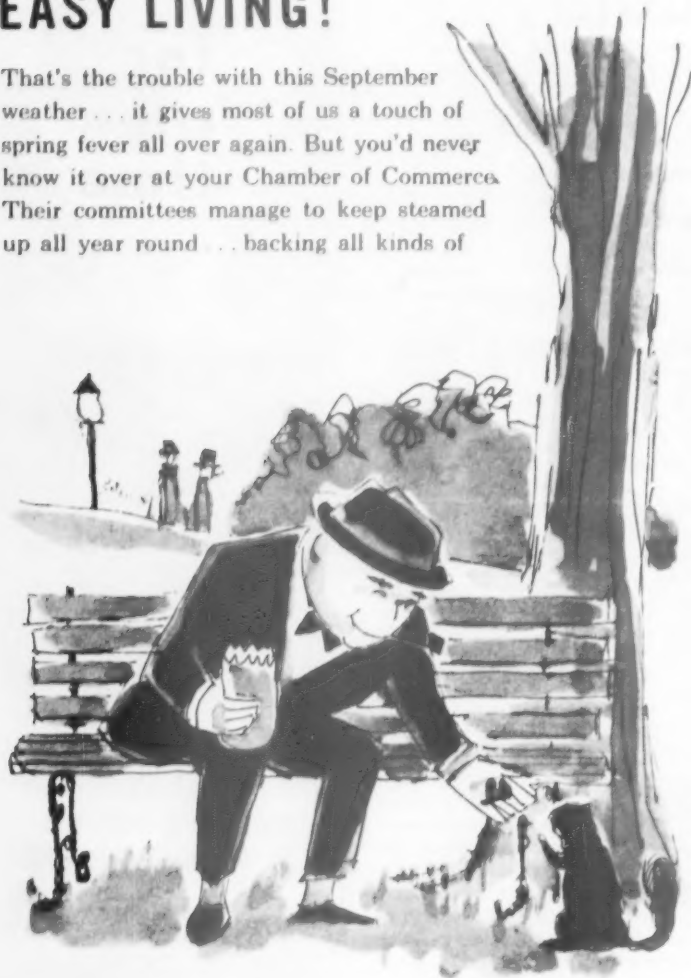
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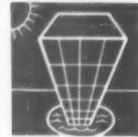
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real estate taxes, much of it going back over the past three or four years."

Fairchild Aerial Survey, Inc., is making the aerial maps at a cost of \$17 per square mile photographed. At this rate, according to Mr. Sieja, the total cost of the project will come to about \$9,000, a reasonable investment in view of the expected return.

### Building takes advantage of sun



A six-story building that can be turned around to capture the sun's rays in winter and escape them in summer is under construction in Grand Junction, Colo.

Built of glass and aluminum sandwich panels, the office building is intended as the administrative center of an oil and uranium organization. Jared Morse, the architect, designed it to be mounted on a pivot below the front entrance, with most of the building's weight resting on a 330,000-gallon water reservoir.

The building will be able to turn a total of 90 degrees, presenting its heat-reflecting aluminum roof to the rays of the summer sun, and rotating in the winter to admit the most sunshine possible.

### Poor roads cost more each year



Poor roads are costing motorists and vehicle operators more than the total that the nation will spend this year for new road and street

construction.

Highway authorities estimate the penalty for poor roads costs an average of one cent per travel mile—\$5,300,000,000 a year for the nation. The \$4,200,000,000 to be spent this year for highway construction is 12 per cent above last year.

A survey by the Automobile Manufacturers Association shows that motorists pay: \$1,700,000,000 for traffic accidents that would not occur if needed road improvements were made; \$1,800,000,000 in time losses for commercial vehicles with paid drivers; \$1,300,000,000 in wasted gasoline and extra wear on brakes and tires due to traffic delays; \$500,000,000 in extra vehicle operating costs on dirt and gravel roads that carry sufficient traffic to merit improved surfacing.

As traffic increases the cost penalty rises about \$200,000,000 a year.

The \$5,300,000,000 cost, AMA says, is the vehicle operators' "penalty that needed road improvements would eliminate."





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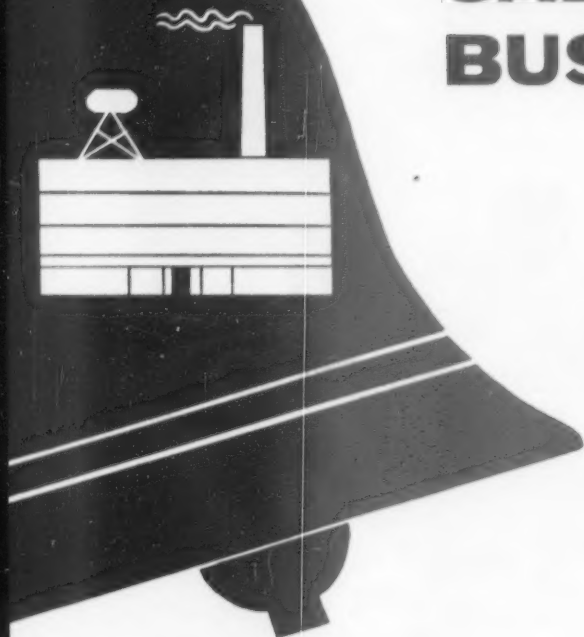
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# SCHOOL BELL CALLS BUSINESSMEN



A CHILD'S right to be taught by a good teacher in a good school is part of the American heritage. It is also essential to national progress. Only through education can the nation be assured of thoughtful leaders in politics, science, industry and all the many aspects of national life.

On this we all seem to agree. But when the discussion turns from theory to practice, agreement ends. Opinions on what constitutes a good teacher, or a good school—even a good education—are various and conflicting. Those who listen can hear that we are or are not underpaying teachers, building enough schools, educating the wrong people—all backed by impressive arguments. Former Secretary of Health, Education and Welfare Hobby illustrated our perplexity in these matters. Emphasizing our need for school construction, she presented one set of figures before a Senate committee, and a different set before the House.

According to either set, our education system is imperfect—as all human institutions are imperfect. Whatever these imperfections are, our growing birth rate is magnifying them. Today we have 100 pupils in classrooms where we had only 72 in 1945; in 1960 we will have 121, in 1965—136.

The urgency for doing something to meet this need has thrown some people into a state approaching panic. According to their view the problem is so monstrous and the need for haste so vital that only the wisdom and resources of the federal government can handle it. Basically the plea is that federal money should be made available to states for school construction.

Although it is not the announced intention, this is a way of turning control of schools, which has always been a state function, over to Washington. Every federal aid to education bill has some minimum of federal control, either written or implied. The measure on which Mrs. Hobby was testifying, for example, required that, to be eligible for federal money, states shall have "a sound long-range school construction program" to obtain "a more efficient organization of school districts"; "principles for determining the relative priority of school facilities projects"; "standards for locating, planning and constructing school facilities"; "standards for determining the federal share of cost of projects."

This means that judgment and definition of what is "sound," of what are "good principles" and what are suitable "standards" in any state would rest on the judgment of a federal administrator. To exercise this judgment wisely, the administrator would need intimate knowledge of some 153,000 public elementary and secondary schools, scattered in states with different climates, different needs, and different cultures.

Presuming it is possible to find such a man, two questions remain. One is, "Can the federal government afford it?" The other is need.

Collectively the 48 states, according to latest figures, had \$15,250,000,000 in fluid assets with less than \$8,000,000,000 of outstanding debt. Furthermore the per cent of their budgets directed toward paying interest on debt was less than one per cent in 1953. Almost nine per cent of the federal budget that year went for interest on debt.

While maintaining this financial stability, the states were still able to spend more than \$2,600,000,000 for school construction in 1954. The figure is expected to reach \$3,250,000,000 this year.

This does not mean that classroom shortages do not exist but it certainly suggests that, whatever the shortage is, no hasty program of federal aid legislation is needed to meet it.

The school situation may be plainer after November. President Eisenhower has called a White House Conference on Education for that month. In preparation, educators and citizens of every state are holding conferences to determine their own educational needs and name delegates to lay these needs before the national conference.

Businessmen, whose interest in education has been an important reason for expanding state programs, are finding these state meetings an excellent opportunity to contribute further counsel on school matters, to learn at first hand how educators and others estimate their own school needs, and to assure that these needs are met by local action which can handle them most efficiently.

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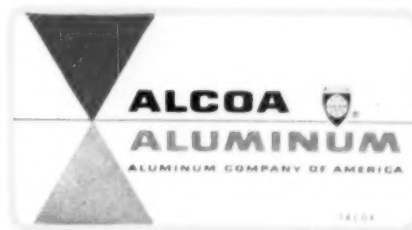
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